

THE CHINA
WEEKLY

REVIEW

報論評氏勒密

A Weekly Newspaper Established in 1917

July 27, 1940

**How the Plutocrats of Dai Nippon Back
The Predatory War in China**

Japanese Eye Frenchtown

BY ANNA GINSBOURG

Murder Most Foul!

AN EDITORIAL

Chinese Dollar Strengthening

BY JOHN AHLERS

**U.S. Election Campaign to Decide Vital
War and Economic Issues**

HONGKONG

SHANGHAI

TIENTSIN

CANTON

SWATOW

FOOCHOW

CHANGSHA

HANKOW

CHUNGKING

KUNMING

ICHANG

WENCHOW

NINGPO

WILLIAM HUNT & COMPANY

"AFFILIATES"



HUNT ENGINEERING CORPORATION

HUNT STEAMSHIP CORPORATION

WILLIAM HUNT & COMPANY

(WHARF & GODOWN ADMINISTRATION)

CHINA FOREIGN TRADE CORPORATION

CHINA FOREIGN ASSURANCE CORPORATION

NANYANG BROTHERS TOBACCO COMPANY, INC.

CHINA CORPORATION

NEW YORK

BUFFALO

LONDON

What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

APPRECIATED

To the Editor

Your valuable contributions toward the improvement of the welfare of the people of this city, as well as that of Sino-American friendship, have won the respect and admiration of both the Chinese and foreign communities here. Your enthusiasm for upholding justice and righteousness through *The China Weekly Review*, has always commanded our highest admiration. While our country is pursuing her cause of resistance, we do appreciate to the full your friendly assistance and cooperation, with deepest gratitude.

Recently, the situation here has taken a turn for the worse. Japanese and Chinese traitors, while making every effort to threaten the local patriotic masses, are also trying to jeopardize the existence of a foreign press in Shanghai and to endanger the safety of all foreigners who sympathize with our cause of resistance. Recently the puppet regime in Nanking issued a decree, ordering the deportation of seven foreigners.

It should be noted that Wang Ching-wei, being a rebel to his people and nation and a running dog of the Japanese, has no right whatsoever to issue any so-called "decree" of that sort, as his gang has never gained the recognition of any foreign government, not even that of his Nipponese bosses.

We hope that you have ignored, completely, this decree and have dismissed it with a laugh. We would like to point out, however, that the issuance of such "decrees" by the Wang regime, reveals Japan's ulterior motives in violating the rights and interests of third powers in the Far East, and also the motives of the Japanese to expel all white influence from Asia. It seems to us that the most effective course for our friends to follow is to advise their respective governments to extend more moral and material aid to China, so that she can win the final victory as quickly as possible. Only in this way can all foreign rights and interests in the Far East be preserved.

It is now a well-established fact that China, in fighting the war of resistance, is fighting not only for herself, but for the sake of the Democracies as well. In other words, China is fighting for the welfare and interests of other friendly nations as well as for her own welfare.

Therefore, we are much concerned about the safety and interests of our foreign friends and well-wishers, especially when they sympathize with our cause and work for the upholding of justice and righteousness. We wish therefore to express to you and the others our very best regards and respect.

CENTRAL KUOMINTANG
(Shanghai Branch)

Shanghai, July 17, 1940.

GOOD WISHES

To the Editor:

I have just read, with some anxiety, of your persecution—by the "other side"—because of your sympathy for our country and your belief and advocacy of international justice. I

wish to express my sympathy and good wishes to you for your earnest work and remarkable service in the emergency. I hope you will also take all precautionary measures against the work of rascals and desperadoes.

ANOTHER VICTIM
(In hiding)

Shanghai, July 16, 1940.

THE FOURTH YEAR

To the Editor:

Three years have passed since the Lukouchiao Incident of July 7, 1937. The Sino-Japanese war has now entered its fourth year. While Japan is falling into ever greater difficulties, China is growing stronger. Recently, Japan has been copying Germany's war methods, but in vain, for China is China and Japan is not Germany. China will fight until Japan is disarmed. The continued bombing of Chungking is fruitless and cannot alter the will of the Chinese people, for they believe the final victory will be theirs.

MU WEN-FU

Chungking, July 12, 1940

SAMUEL H. CHANG

To the Editor:

A dear son of China has been lost in the assassination of Mr. Samuel H. Chang. Nowhere has the sinister hand of Wang Ching-wei been plainer—put him officially on the black list and then have him murdered by inspired gangsters. Evidently this arch-advocate of peace with Japan at any price wants to have no peace with his own countrymen, especially decent people and patriots.

I remember once Mr. Chang told me that he did not believe the rumor that Wang would become a puppet of the Japanese. That was in the spring of last year. He had a high—rather inordinately high—opinion of Wang's style of writing and thought he was a fellow decent enough. Chang was mistaken. Wang did become a puppet and, what is more did kill Chang—despite his sincere admiration for Wang's style.

CHEN DING-FEI

Shanghai, July 21, 1940

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

J. B. POWELL, Editor and Publisher

C. FRANK GLASS and HOH CHIH-HSIANG, Assistant Editors

F. K. CHAO, Business Manager TRYPHON V. KU, Advertising Manager

Index for July 27, 1940

Editorial Paragraphs

U.S. Will Decide Vital War and Economic Issues in Forthcoming Campaign	303
Bible Banned in Japan—Shinto Becomes Official in Manchukuo	308
Murder Most Foul	309
Halifax Rejects Peace Offer by Chancellor Hitler; Baltic States Seek Absorption by the U.S.S.R.	311

Special Articles

Factors in the Strengthening of the Chinese Dollar	307
By John Ahlers	307
Frenchtown Status Queried by Japanese	314
By Anna Ginsgourg	314
Second Konoye Cabinet Installed in Office; Southward Moves Predicted	316
How the Plutocrats of Dai Nippon Back the Predatory War in China	318
Havans Meet Prepares Against Totalitarian Victory in Europe	328

Departments

What People Are Saying	301
Outstanding Events in the Sino-Japanese War	330
Who's Who in China	331
Men and Events	332
New Books of Interest in the Far East	335

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA. YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWENTY TWO DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN, ADD \$3.00 TO COVER EXTRA POSTAGE TO HONGKONG, SOUTH SEAS FIFTEEN DOLLARS STRAITS CURRENCY. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS." COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES. COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

ALL EDITORIAL, TEXT AND OTHER MATERIAL IN THE WEEKLY ISSUES OF THE CHINA WEEKLY REVIEW IS COPYRIGHTED UNDER CERTIFICATE OF REGISTRATION NO. 9953 ISSUED BY THE MINISTRY OF INTERIOR OF THE NATIONAL GOVERNMENT OF THE REPUBLIC OF CHINA.

For Fast and Efficient
Radio Telegraph Service
to all Parts of the World
Send

R
A
D
I
O
G
R
A
M
S

"Via RCA"

RADIO IS A FAST AND
RELIABLE MEDIUM FOR
ALL TELEGRAPHIC COM-
MUNICATIONS. IT HAS
BROUGHT ABOUT RATE
REDUCTIONS AND IN-
AUGURATED NEW CLASSES
OF SERVICE TO MANY
COUNTRIES....

In CHINA file your messages
"RCA"

(R.C.A. Communications, Inc.)

R. C. A.
Communications,
Inc.

(A Radio Corporation of America Service)

Head Office for China:—

Sassoon Arcade

Shanghai

Tel. 12558

AGENCIES:—

Tientsin: 65 Consular Road, Tel. 31430.

Hongkong: China Building.

Hankow: Harrisons, King &
Irwin Building, Tel. 21771.

BEST IN CHINA

To the Editor:

I am, no doubt, one of the readers of The China Weekly Review, which I think of as a best magazine in China—perhaps in East Asia—and with my warm wishes, I will wish to see The Review becoming even a world-wide reading which gives everyone justice and right news and public opinion.

But the real purpose, as applied in the present instance, is to request you to send me an additional issue of Vol. 93 No. 1, which I failed to receive and which I earnestly hope you will send me. Kiangsi Province, M.C.K.
July 7, 1940.

WHEN YOU
THINK OF



THINK OF

CAMPBELL
PAINTS AND PAINT
WORK

Everything the best

H. B. CAMPBELL

1344 Avenue Foch

corner Hart Road

Phone : 34360

NATIONAL CITY BANK OF NEW YORK

Rates of Exchange, Shanghai,
July 25, 1940

Demand selling rate on New York:
U.S.\$1.00—Sh.\$16.32

Demand buying rate on New York:
U.S.\$1.00—Sh.\$16.00

Demand selling rate on London:
£1.0.0—Sh.61.93

Demand buying rate on London:
£1.0.0—Sh.60.00

AMERICAN STOCK AND COMMODITY QUOTATIONS

July 24, 1940

STOCKS

Amer. Locomotive	12
Amer. Waterworks	8 1/4
Anaconda Copper	18 1/4
Bethlehem Steel	75
Chrysler	63 3/4
Elec. Bond & Sh.	5 1/4
Gen. Motors	43 3/4
Goodyear T. & R.	14 1/4
Gt. Nthrn. Rly., pfd.	22
Lockheed Aircraft	24 1/4
Mont. Ward	39 1/4
N. Y. Central	11 1/4
Texas Corp	38 1/4
U. S. Steel	50

COMMODITIES

New York Cotton, Oct.	9.43/43
New York Rubber, Sept.	19.44/44
New York Hides, Sept.	8.80/80
Chicago Wheat, Sept.	74 3/4/74 3/4
Chicago Corn, Sept.	62/62 1/4
New York Sugar, No. 4, Sept.	0.94B/95 1/2 A

B—Bid. A—Asked.

Nulacta



MILK
FOR

Energy

is honest advertising, because Nulacta Milkpowder is "FULL CREAM", containing "tops" in butterfat i.e. 28% and all the vitamins and milksolids from choicest New Zealand milk. Nothing but the water has been removed, so you just add water again and you have rich, creamy milk from the worlds finest dairy pastures. But Nulacta is also reasonably priced. The 1 lb tins for instance cost only \$6.20 per tin, making 16 half pints, delicious milk.



Nulacta Cocoa Malt however is prepared in Holland, composed of cocoa, finest barley malt, selected milk and cane sugar. It is an excellent tonic food and still very reasonably priced.

1/2 lb vacuum tin \$3.40
1 lb vacuum tin 6.50

protects
YOU

THE CHINA WEEKLY REVIEW

報論評氏勒密

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper
for transmission with special marks privileges in China

Vol. 93 Shanghai, Saturday, July 27, 1940 No. 9

U.S. TO DECIDE VITAL WAR, ECONOMIC ISSUES IN FORTHCOMING CAMPAIGN

WHILE American politicians still use the term "short of war" in referring to the objective of the defense program and the assistance which the country is giving Great Britain, few indeed are the intelligent Americans who do not recognize the fundamental fact that the country is girding itself for the greatest war effort in its history.

Whether that effort will lead to armed strife with Germany within the coming months, or, in the event of a Nazi victory, to a life and death struggle with the Nazi economic *blitzkrieg* for world markets, remains to be seen.

Whatever comes, it is now obvious that the United States has taken sides and the race is on: First, to determine whether the country can lend sufficient help to Britain quickly enough to enable that country to hold out—until the weight of American assistance turns the tide as it did in the first world war, or, in the event Britain cannot withstand the Nazi onslaught, to prepare the United States for the ultimate struggle to determine whether the world is to be ruled by and for the gods of force and hate or through the institutions of democracy which give the individual a voice in the creation of the institutions under which he lives.

The American nation has advanced so far in its defense program that the outcome of the forthcoming national election can have little effect on the fundamental facts in the situation as outlined in these paragraphs. Whether Candidate Roosevelt is returned to office, or whether Candidate Willkie is elected, cannot affect materially the decision of the American people to prepare their nation in every possible way to meet the Nazi challenge for military mastery of the world. That issue was settled by the American Congress in voting funds for an arms expansion program, the like of which the world has never seen, not even the German war effort which diverted from 25% to 40% of that country's productive effort to arms over a period of practically six years. According to a survey in *Business Week* (June 22) the impact of the US\$10,000,000,000 arms program involving the mechanization and expansion of the Army

and the construction of a two-ocean Navy, will result in 12% of the country's national energies going into the war effort, involving an expansion of the national income to approximately US\$80,000,000,000.

The knowledge that the United States has pledged—to quote from *Business Week*—"full-speed ahead to the Allies—the 'opponents of force'—and has turned its back on Hitler and Mussolini"—is certain to produce its effect on the mentalities of those tribal chieftains.

The theory which prevailed in Nazi circles—and also in Japan—that the United States could not act swiftly in a crisis, was disproved by the fact (*Time* report) that in seven days the U. S. Government arranged a 50-plane trade-in; resolved it would not stand for the transfer of any region in the Americas from one non-American power to another; had laid plans for mass production of airplanes; had laid the foundation for labor peace; had demonstrated that U. S. industry could quickly turn its vast plant equipment to arms production, and, finally, had demonstrated unmistakably where its destiny lay with respect to the issues in the European struggle.

Therefore, the fundamental question in the American campaign is not to determine whether or not the country will prepare for war, but probably how best to carry out the program for which Congress has already appropriated the necessary funds. It probably is here that the Repub-

The F. D. R. Handshake and Smile



New York Times Photo

President Franklin D. Roosevelt (left) invites William S. Knudsen, President of General Motors, to serve as Director of Industrial Production on the new U. S. Defense Commission.

lican candidate Wendell Willkie will make his most effective appeal, because the nation's fundamental problem is that of industrial coordination and production. An article about the Republican candidate in *The New Republic* (June 10) which was written by the well-known editor William Allen White, said that the Willkie propaganda stressed: the Republican candidate's business experience, his scorn of political expediency, his don't-give-a-damnitiveness about political traditions and conventions. He fulfills the public's conception of the type of man who will stand up for his principles—he

is over six feet tall, slightly stooped shoulders, leonine head, large features, a shock of black hair which he waves like a mane, skin good, clear, youthful... strong teeth... has the kind of information and erudition that are typical of a well-educated American... he is a new species in politics... he may emerge a first-class figure in American life—such is the opinion of the veteran Kansas editor.

In a pre-convention speech, Willkie declared, "The curse of democracy today, in the U. S. as well as in Europe, is that everyone has been trying to please the public. Almost nobody ever gets up and says what he thinks... We must not promise jobs unless we turn industry loose to make jobs... We must not express sympathy for the unemployed and then tax profits so outrageously that money will not flow into new industries to make new jobs... We must not say that we have a good army, when the statistics prove otherwise... We have been divided by class conflicts and weakened by a sense of defeat... But let no one—especially no dictator abroad—be misled into thinking that we are not able to rouse from this lethargy and become strong." Summing up, *Time* magazine quoted commentators as stating that Willkie's candidacy indicated the possibility that the country "was impatient with politicians, with popular suspicion of businessmen as such, recognized the need for industrial leadership in a crisis." Raymond Clapper, columnist: "Democracy has been a failure in Europe. It has been blind, slow, inefficient, unable to understand its interests and to protect them... The idea of popular sovereignty is down flat on its back... The tribal king is on the throne again... Republicans have just one issue in this campaign. It is whether Mr. Roosevelt or a Republican could do a faster, better job of obtaining the industrial production for defense... They must look ahead and offer a man who can make the country believe he would do a better job... On that point Mr. Willkie is the only man the Republicans have who stands a chance of making an effective case"

The magazine *Business Week*, sensing the struggle to come, said that Germany had reached the fifth phase of a "logical economic evolutionary process," following this sequence:

First phase: Man does everything for himself—fashions his own tools, hunts for food, defends himself.

Second phase: Individuals develop special skills and specialize—the shoe-maker, the hunter, the blacksmith.

Third phase: The division of labor develops into the factory system—one man cuts cloth, another sews seams, a third puts on buttons, and so on.

Fourth phase: The Industrial Revolution. Machines supplant manual labor. Great corporations gradually replace individual proprietorships in industries requiring huge aggregations of capital.

Fifth phase: The state takes over. Instead of many business managers and owners making individual decisions in their own self-interest, the Government directs all industrial effort—allots raw materials, determines output, sets hours of labor, and fixes prices. Coordinated economic planning succeeds the free

market as the "automatic equilibrator" between supply and demand; competition between corporations and proprietorships ceases and the "wastes of private competition" are thereby saved.

According to the editor of the business magazine, Germany has advanced to the fifth stage of economic evolution while the United States is still in the fourth and less efficient stage... Therefore the struggle for supremacy in world markets between American industry and German industry will force an issue between (1) totalitarian economics, in which the state establishes output, hours and wages of labor, and prices, and (2)

The Republican Candidate



Informal snapshot (*New York Times*) shows Wendell L. Willkie, recently nominated Republican candidate for the Presidency, (left) talking with a friendly policeman in his home city, Akron, Ohio.

capitalistic economics, in which individual owners of plants and mines decide how much to produce, wages and hours of labor are arrived at by bargaining, and prices are determined in the so-called "free market..."

PRESIDENT ROOSEVELT'S PLATFORM

President Franklin D. Roosevelt, in his speech of acceptance as the candidate of the Democratic Party for a third term in the White House said: (*United Press*, July 19).

"Because of the millions of citizens involved in the conduct of defense, most right-thinking persons have agreed that some form of selection by draft is necessary and fair today, as it was in 1917 and 1918. Nearly every American is willing to do his share or her share to defend the United States.

"It is neither just nor efficient to permit the task to fall upon any one section or any one group. Lying awake, as I have many nights, I have asked myself whether I have the right as Commander-in-Chief of the Army and Navy to call on the men and women to serve their country or train themselves to serve and at the same time decline to serve my country in my own personal capacity if I am called upon to do so by the people of my country.

"In times like these, the fact which dominates our world is the fact of successful armed aggression

"How Soon Can We Back It Up?"



Pease in The Newark Evening News

aimed at the form of Government and kind of society we, in the United States, have chosen and established for ourselves. It is not an ordinary war, it is a revolution imposed by force of arms which threatens all men everywhere; it is a revolution which proposes not to set men free but to reduce them to slavery.

"In the face of danger which confronts our time, no individual retains or can hope to retain the right of personal choice which free men enjoy in times of peace...

"Those are the reasons why I have to admit myself and now state to you that my conscience will not let me turn my back upon the call to service. The right to make the call rests with the people through the American method of free election. Only the people themselves can draft a President. If such a draft will, with God's will, be made upon me, I say in utmost simplicity I will, with God's help, continue to serve with the best of my ability and with the fullness of my strength."

The President discussed domestic policies and then continued, "We all know our progress at home and in other American nations toward the realization of human decency—progress along free lines—is gravely endangered by what is happening in other continents.

"In Europe, many nations, through dictatorships or invasions have been compelled to abandon the normal democratic processes. They have been forced to adopt forms of government which some call 'new and efficient'...

"We, in our democracy, and those who live in still unconquered democracies will never willingly descend to any form of this so-called security and efficiency which calls for the abandonment of other securities.

"If the Government should change hands next January—untried hands or inexperienced hands—we can merely hope and pray they do not substitute appeasement and compromise with those who seek to destroy all democracies everywhere, including here.

"I would not undo, if I could, the efforts I have made to prevent war from the moment it threatened. All that I have done to maintain peace in this country and prepare it morally as well as physically for whatever contingencies may be in store, I submit to the judgment of my countrymen. We face one of the great choices of history. It is not alone the choice of the Government. It is the continuance of civilization as we know it versus ultimate destruction of all we have held dear—religion against Godlessness, ideal justice against the practice of force, moral decency against the firing squad, the courage to speak out and act versus the false lullaby of appeasement...

"The American people must decide whether these things are worth sacrifices, money and energy themselves. They will not decide by listening to mere words and reading pledges and claims. They will decide on the record of things as they are."

President Roosevelt's running mate, the candidate for Vice-President, is Henry Agard Wallace, who has been Secretary of Agriculture in the Cabinet since 1932. Although the delegates at the Democratic Convention obviously favored Paul V. McNutt, former High Commissioner to the Philippines, as candidate for Vice-President, the selection went to Secretary of Agriculture Wallace because of President Roosevelt's feeling that a solution of the agricultural problem constituted a fundamental issue in the forthcoming campaign. Secretary Wallace is a native of Iowa, a graduate of the Iowa State College, where he studied agricultural economics and prior to his appointment was editor of an agricultural magazine.

"What Else Can We Expect For a While?"



Shoemaker in Chicago Daily News

While the complete text of the Democratic platform is not yet available, the following summary of the sections referring to foreign policy were contained in a *Trans-ocean* report from Chicago on July 18:

"The people of the United States are resolved to prevent the war raging in Europe, Asia and Africa from spreading to America.

"We shall not participate in foreign wars. We shall not send out military forces of land, sea, and air into wars in countries which are outside of the Americas unless we are attacked.

"We favor the Monroe Doctrine and shall realize and defend it with inexorableness. The direction and aim of foreign policy, was and will be to ensure security and the defense of our country as well as to maintain peace."

Hurry, Hurry, Hurry!



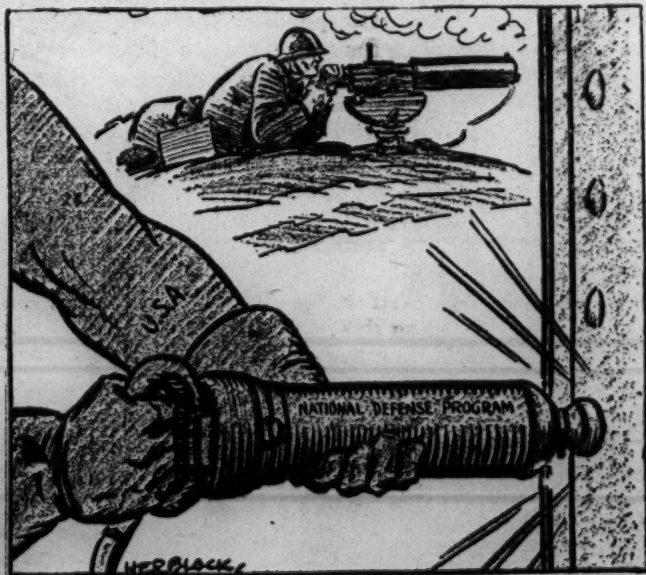
New Orleans Times-Picayune

Furthermore, the election program promised aid and assistance to foreign victims of aggression so long as this does not conflict with international or domestic laws and endanger the rearmament program of the Roosevelt administration and the constitutional and social achievements begun under this administration.

The platform also promised equal treatment to negroes in selecting employees for Government service and in entry to various branches of the army.

Since it is traditional that the party in power usually is disinclined to take a strong stand in foreign affairs during the campaign, it was suggested in press dispatches that there was no apparent prospect of implementing U. S. Far Eastern policy with new legislation during the present session of Congress. However, this was pure speculation, as developments in Washington obviously would depend upon developments in the Far East. Reuter's correspondent in Washington, who is well

"War's Echo in U. S. A."



The Lynchburg News

informed on developments in the Orient, commented on the situation to the following effect:

Feeling concerning the closure of the Burma road is still critical of Great Britain; one cartoon yesterday showed John Bull and a Japanese officer shaking hands on the barricaded road, the top bar of the barricade being an umbrella, now a worldwide symbol of appeasement.

However, whether the United States' stand will be any firmer if and when Japanese pressure is applied, still remains to be seen. Many political observers are waiting to see how far President Roosevelt will remain bound by the Isolationist foreign policy planks of the Democratic platform, for his recent policy seems to have been a retreat from Charlottesville (where he said all material resources of the United States would be at the disposal of the Allies.)

The methods whereby he has secured nomination for the third term are causing considerable criticism from friends and foes alike. Therefore, the President is expected to steer a middle course in all policies until such time as the situation indicates a rallying of strength sufficient to win the November fight against Mr. Wendel Willkie, his Republican opponent.

CHINESE OPINION

The *Shun Pao*, leading Chinese daily at Shanghai, expressed the opinion there was no fundamental difference of viewpoint between the Democratic and Republican parties on the question of foreign policy, which was based on non-aggression and non-compromise. However, developments in the international situation of a Far Eastern character were likely, in the next three months, "to force the United States to clarify its stand on certain fundamental international issues, especially those relating to the maintenance of the status quo in the Far East. The inauguration of the new Prince Konoye Cabinet in Japan, pledged to a strong policy, was likely to endanger American interests in the Pacific..."

Writer and Trade Mission Travel As Guests of Japanese

FREDERICK V. Williams, long known as a defender of Japan's "New Order in China," and a supporter of Japan as an opponent of Russian Communism, went to Nanking on July 23 and interviewed Wang Ching-wei and other officials of the puppet government. Mr. Williams did not stop in Shanghai, but proceeded directly to Nanking. The arrangements for the interview were made in Tokyo.

According to an account of Mr. Williams' visit to Nanking, circulated by the *Central Press*, the American writer is now working on a new book, dealing, presumably, with the "New Order." He made an extensive tour of Japan, Manchuria, Korea, north and central China in collecting information, stated the account. His last book, according to the report in the official Nanking news service, which was entitled "Behind the News in China," has gone through three editions and has been printed in three languages, he stated.

In an interview, Mr. Williams was quoted as stating that the "American people are coming to a gradual understanding that the New Order is a good thing for the Chinese and Asiatic peoples and that support in America, previously accorded to Gen. Chiang, is waning." Mr. Williams also stated that Wang Ching-wei's stock is rising and Chungking has "lost face." Mr. Williams also claimed that the feeling against Japan in U. S. is "changing."

Frederick V. Williams first visited the Far East in 1935 as director of publicity for the International Eucharistic Congress. It was on this trip that Mr. Williams established contact with the Japanese, a relationship which has continued to the present. In recent articles published in the U. S. Mr. Williams has lauded Japan as a "bulwark against Communism." He is a member of the Catholic church.

Major John F. O'Ryan, attorney, New York City, is expected to arrive in Shanghai early in August with members of a so-called American Trade Delegation to Japan, which has been making a tour of Japan, Manchukuo, north and central China. The group departed from the United States on June 19 and is travelling as guests of the Japanese tourist agency, railway department and other official organs, the object being, according to the original announcement, to investigate conditions in the Japanese Empire as a field for American investments. Major O'Ryan who is chairman and spokesman of the delegation, is a graduate of New York University and the Army War College. He has served as police commissioner of New York City and has had extensive experience in the U. S. Army. He has received medals from the British, French, Belgian and Italian governments.

Factors in the Strengthening of the Chinese Dollar

BY JOHN AHLERS

THE Chinese national dollar's recent remarkable show of strength once more emphasizes the factor of confidence in the valuation of any currency. No currency in the world can be completely wrecked by either speculation or exhaustion of its convertible reserves as long as in its sphere of circulation the bulk of the population, and especially of the propertied and otherwise well-to-do strata of society, retain confidence in it. The masses of the Chinese people maintain such confidence in everyday life, and the majority of the wealthy Chinese show it in their transactions in the exchange market. Very big local Chinese interests continue to think and calculate in terms of Chinese national currency exclusively, and to them a local dollar profit remains a profit whether or not exchange rates move against China. Outsiders will be surprised to learn that large Chinese fortunes still continue to be held and administered at Shanghai in local currency, without any precautions against further Chinese currency devaluation.

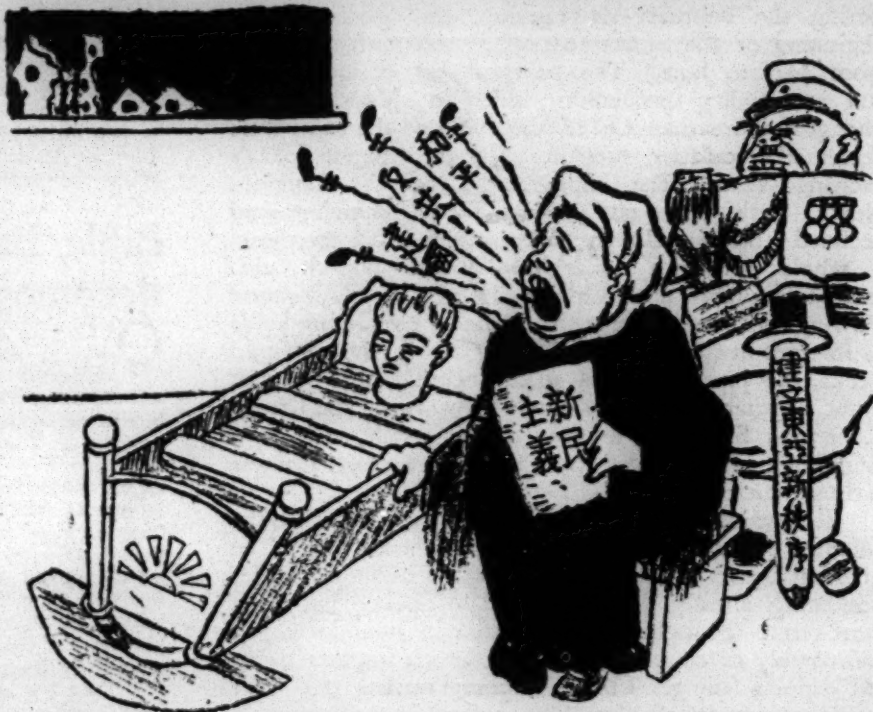
Chinese capital held in Chinese currency forms the backbone of the opposition to speculative attacks upon the foreign exchange value of *fapi*. It seems a paradox, but it is a fact, that much of the local operation against the Chinese dollar is continuously financed with Chinese local dollar capital which is confident of a maintenance of local exchange rates. For years past, a great deal of speculative forward purchases of exchange transacted at Shanghai could be contracted only because Chinese private operators made a regular business out of providing the counterpart for such transactions. Such Chinese circles will buy spot exchange with local dollar cash and immediately sell one month forward at slightly higher rates, making a sure gain of the difference between spot and forward rates. These differences have yielded interest on the capital involved to the extent of between 20 and 50 percent annually. The repeated devaluation waves, of course, frequently punished such profit-making with severe losses in terms of foreign currencies. But in terms of Chinese dollars a profit remained, and again and again Chinese speculators showed confidence that the latest devaluation would be the last. This is once more the case at present.

Capital flight from China was strong during the first two years of the present Sino-Japanese war, although Chinese confidence was never fundamentally undermined. Much Chinese capital from the interior fled to Shanghai, and from Shanghai continued its flight abroad to Hongkong, Singapore, New York and London. The amount of Chinese capital which thus left the country to find safety elsewhere has been estimated as high as U.S.\$200,000,000. Though this estimate would seem rather high, the amount of this capital certainly is very substantial for Chinese financial circumstances. The outbreak of the European war, however, turned the tide. Since last fall, hit by the British pound's depreciation and frightened into immobilization by the ever-tightening British exchange controls, Chinese capital has been

deserting the British Empire. Large funds of Chinese capital returned, in particular, from Hongkong to Shanghai, where this renewed capital influx created that extraordinary affluence of mobile funds which greatly encouraged Shanghai exchange, stock and commodity speculation.

The unexpected German military successes on the European continent since this spring, tended in Chinese eyes to discredit even the United States as a safe refuge

Wang Ching-wei's "Theme" Song



Wang Ching-wei, head of the Japanese-protected government at Nanjing, is shown by a Chungking cartoonist in the act of trying to soothe China to sleep (in a Japanese cradle) by singing his theme song "Anti-Communism, National Reconstruction," with a Japanese warlord standing in the background. The warlord's sword is labeled, "New Order in East Asia."

for Chinese capital. Rapidly widening Shanghai circles feared that U. S. A. might join the British in the war against Germany, or be driven to enforce exchange control or decree another devaluation of American currency. Chinese capital began returning from New York although, taking a long term view, it would appear rather unreasonable to consider threatened and crisis-torn Shanghai as a safer hiding place for money than Wall Street. This return of capital was encouraged by vague recollections of the Great War period, which had resulted in an extraordinary appreciation of Chinese money's exchange value. It is generally overlooked that at that time China had a silver currency whose value soared together with the rise of silver bullion prices, while China today has a paper currency. But with confidence still remaining fundamentally intact, wishes and hopes for a revival of Chinese national currency lead to corresponding expectations.

It was only upon this background that the improvement of the Chinese dollar's exchange value during the past two months was possible. Shanghai exchange quotations on New York by the middle of May had dropped far below five U.S. dollar cents per Chinese dollar, yielding more than Ch\$22 for a single American dollar. The July average for Shanghai exchange rates on New York, however, thus far is again well above six U.S. cents, and the American dollar sells in Shanghai at little more than Ch.\$16. The improvement is consi-

derable. It may be directly traced to a series of technical factors which recently changed the situation in the Shanghai exchange market, but which certainly would not have been strong enough to effect a cut of six local dollars in the American dollar's valuation had it not been for continued Chinese preparedness to show confidence every time a favorable sign is detected, or only suspected.

Among those technical factors was primarily a sharp decrease in the adversity of Shanghai's balance of trade, which since early May considerably relieved the exchange market. Shanghai May and June import values dropped far below those of April while export values experienced a substantial increase. This is the result partly of the earlier Chinese currency depreciation during the February-May period, and partly of the beginning of the annual export season with the turn from May to June. The heavy defeat of local stock and commodity speculation, which in May-June cost Shanghai more than Ch\$1,000,000,000, at the same time decreased speculative pressure upon the Chinese dollar's exchange value. The improvement of the London-New York cross-rate which for a moment had declined below U.S.\$3 but afterwards recovered a whole American dollar per British pound, also reacted favorably upon China's currency, chiefly because the Anglo-Chinese Stabilization Fund in Hongkong holds its reserves in free sterling. Finally, during the past two weeks, the Japanese threat against Hongkong brought about another wave of capital flight from the Crown Colony to Shanghai, resulting in large-scale selling of Hongkong dollars and free sterling against Chinese national currency.

It remains an open question, however, whether the Chinese dollar's recent improvement can last. The technical factors which helped to bring it about are either weakening already, or seem bound to operate but for a short term. Shanghai's trade balance in June developed unfavorably as compared with May, with imports rising and exports falling. China's export business this year develops unsatisfactorily. The recent improvement in the London-New York cross-rate may cease to assist the Chinese dollar, since the new arrangements between American and British finance practically divorced the New York free sterling rate from the Shanghai free sterling rate. The Anglo-Chinese Stabilization Fund may not intervene at all if the Chinese dollar should embark upon another decline, and the Japanese may compel Great Britain to discontinue participation in the Fund altogether. Final agreement between Tokyo and Wang Ching-wei is likely to materialize Wang's plans of a new Central Bank and a new Chinese currency, to the great detriment of the national dollar. And Shanghai is seriously threatened with increased Japanese control which is bound to work out unfavorably as regards China's national currency. It remains to be seen, to what extent Chinese private confidence in the Chinese dollar will hold good in view of the unprecedented pressure at present exercised from all angles upon Free China, and of the current new determined Japanese attempt to break down Chungking's resistance.

Badlands Gamblers Worried, But Wheels Continue to Spin

ANOTHER closing date has passed and the Japanese-protected, Chinese-operated gambling houses and opium-smoking joints in the western suburban district of Shanghai are still in operation. The *Central Press Service*, organ of the Nanking Government, which is edited by Tang Leang-li, "Minister of International Publicity," announced in its issue of July 13 that the ten gambling houses and opium-smoking joints in the badlands area "would be closed within three days." It was stated that this action was being taken "in order to ensure public peace and order, despite the fact the government derived an income of \$300,000 monthly from the houses." The report stated that the problem of closing the places had been

discussed at a meeting of the Nanking Executive Yuan, presided over by Wang Ching-wei, at which time the decision had been reached to close the joints within three days, presumably following July 13.

As there has been no further announcement it is presumed that some hitch has developed. Whether this has been due to refusal of the Japanese to approve the Nanking closure order is not known. It is known, however, that the Japanese "protector" of so-called amusement enterprises in the badlands area—a certain Mr. Miura—continues to function.

The report in the *Central Press* stating that the Nanking puppet government derives an income of \$300,000 monthly from badlands joints was ridiculed by managers of the houses who claimed that the taxes levied by the Nanking authorities and the Japanese "protectors" was "nearer a million." The report in the Nanking Government organ that 100,000 persons were dependent on the gambling and opium-smoking places for livelihood, was regarded as approximately correct. Most of these persons are Cantonese and claim to be adherents of the Wang Ching-wei faction.

The only two resorts which have not been affected by the closure orders and have remained open continuously are the China Club, located at Tifeng and Bubbling Well Roads, which allegedly is owned by Nanking politicians, and Farrens, located on Great Western Road, near the Columbia Country Club. Farrens is owned by two foreigners, Joe Farren, a Hungarian and E. T. "Jackpot" Riley, an American. Farrens is said to have a special license from Miura, the protector of "amusements."

Bible Banned in Japan—Shinto Becomes Official in Manchukuo

OFTEN the most important news items receive the least attention in the daily papers—which was the case last week in connection with the banning of Bible study in Miyagi Prefecture and the recognition of the Japanese Shinto faith as the state religion in Manchukuo. In both cases the important developments were reported by European news services.

According to *Transocean* (German) report from Hsinking, capital of Manchukuo, on July 16, Kangte, Japan's puppet Emperor, on that day, and for the first time, prayed in front of a Shinto shrine. The place he selected was known as the "Shrine of National Founders," at Hsinking. Continuing, the report stated that Kangte's act constituted the official recognition of Shinto, the officially-fostered system of Emperor worship in Japan, as the state religion for the 35,000,000 Chinese in Manchukuo. It was stated that hitherto the "Gods of Buddhism, Confucianism and Taoism had been revered by the population."

There was significance in the fact that Emperor Kangte (Henry Pu-Yi) had just returned to his capital from an extensive tour of Japan.

The report regarding the banning of the Bible was carried by the French *Havas* service from Tokyo on July 19 and was to the following effect:

"Revision of the educational program in Miyagi Prefecture mission schools will soon be enforced to bring them in line with 'national policy to exalt Nippon Spirit,' the *Hochi* reports. The so-called 'bible system of education' in Christian mission schools will be drastically revised. Intended reforms provide that in the future, the Tuesday and Friday pre-school chapel services will be preceded by services of 'distant worship of the Emperor.'

"The Japanese national anthem will be sung at these early morning services and special emphasis will be placed on the fostering of Nippon Spirit, the *Hochi* states.

"Furthermore, since parts of the Bible have been termed harmful to the moral education of the Japanese people in present wartime circumstances, and since it has not received Government approval as a school textbook, the holy book will be completely eliminated from school curriculums.

"Bible lessons may be given, after school hours, to those who desire such teaching. In school, a textbook of moral lessons approved by the Education Ministry is to be used."

A further report of considerable significance, carried by the German *Transocean* news service from Tokyo on July 3, quoted the *Ashai Shimbun*, a leading Tokyo daily, as forecasting that "the day will soon come when Japan, together with Germany and Italy, will participate in the redistribution of the world." This monumental accomplishment, from the Japanese standpoint, is to be performed "under the clever management of Matsuoka, the new Foreign Minister." Matsuoka was formerly president of the South Manchuria Railway and is supposed to have close affiliations with the Kwantung branch of the Japanese Army.

The new Minister of Commerce, Mr. Kobayashi, was also quoted as declaring that Japan "would enjoy a greater feeling of security by closer contact with the Axis Powers... which would free Japan from dependence on Great Britain and the United States." It would be necessary first, however, to develop the country's resources, particularly coal, iron and electric power. In order to mobilize the resources of the whole Far East, stated the paper, "it would be necessary to establish close relations with Germany and Italy." Both these countries, stated the report, "are splendidly organized, to such an extent that they are able to export merchandise, even in wartime."

Murder Most Foul

An Editorial

WHEN we wrote last week of the campaign of intimidation being conducted by the Nanking puppets against Chinese and foreign newspapermen in Shanghai, we little thought that one of the objects of this reprehensible campaign would be struck down by assassins before that issue of *The Review* could be published. Yet so it was. On Friday, July 19, while sitting in the Kiessling and Bader Cafe on Bubbling Well Road, Mr. Samuel H. Chang, one of the most lovable and deservedly popular men in the field of Chinese journalism, was foully murdered by two Chinese gunmen. In making their escape from the scene of the crime, one of the thugs, who were dressed in civilian garb, shot and killed a Polish citizen, Mr. V. Krasson, who attempted to halt their flight.

"Sammy," as Mr Chang was affectionately referred to by his journalistic colleagues, was one of the men

Murdered



Samuel H. Chang

included in the list of 87 "traitors" whose arrest was ordered recently by the Nanking puppet government. Nor was this the first time that his life had been threatened by the servile tools of Japan who sit in the present Nanking "government." In the circumstances, there can be little doubt as to the identity of the murderers who took his life. The skulking renegades who are selling out their country to an alien invader, did not themselves pull the trigger which ended a life as decent as theirs is ignoble. They hadn't the courage, and so they entrusted the performance of the foul deed to hired assassins. Sammy's crime in the eyes of his slayers was his patriotism, his loyalty to his native land, his spirited independence, his refusal to serve the Japanese invaders and their Chinese hirelings. His slayers saw in him all those virtues which they so utterly lack. Eaten by a gangrenous envy and a malevolent hate, they struck him down in his prime, for he was only 40 years old when he died.

But more was involved than the familiar hatred of the base for the virtuous. By killing Sammy, the dastards expected so to frighten Shanghai pressmen as to end opposition to the Nanking regime and the sell-out to Japan which its leaders are preparing in their current "negotiations" with the Tokyo warlords. In their efforts to win fresh adherents and to wean both Chinese and foreigners away from their loyalty to the recognized Chinese Government at Chungking, the puppets have been singularly unsuccessful. Everyone recognizes the puppets for what they are. The not-so-eloquent persuasiveness of Wang Ching-wei falls on deaf ears. One of the greatest obstacles to success of the puppet regime is the press of Shanghai. Upon it the Chinese hirelings of Japan have concentrated most of their attempts at bribery and corruption. Failing in this, they have lately been venting upon it their accumulated spleen. For attempts at persuasion and bribery, they have substituted a campaign of terror and murder.

They will not succeed. The tributes to Sammy Chang, and the impressive attendance at his funeral on Tuesday of this week, testify alike to the wide esteem

in which the victim was held and the loathing which all decent, honest people feel for those who so foully encompassed his death. This is the verdict of the public. Nothing can change it. In the face of the widespread conviction that Sammy's murderers were professional assassins hired by Nanking, the puppets have made no attempt to absolve themselves from responsibility for the crime. They have remained silent—except for one of the more venal of their number, a certain magazine editor, who is said to have boasted privately that "this is the way China will deal with traitors."

Prominent among those who sent condolences to the surviving wife and daughter of the late Mr. Chang was General Chiang Kai-shek. "Mr. Chang has died for his country and the force of public opinion will not vanish," the Generalissimo said. High Government and Kuomintang officials paid similar tribute, among them being Dr. Wang Shih-chieh, director, and Messrs. Pan Kung-chan and Hollington K. Tong, vice-directors of the Publicity Department. Mr. Tong had been a personal friend of the deceased for many years. The Publicity Department has petitioned the Government to bestow posthumous honors on Mr. Chang.

Born in Swatow in 1900, Mr. Chang attended the Anglo-Chinese College in that city, later proceeding to the United States where he entered the Franklin High School at Seattle. Later he graduated from Haverford College, Haverford, Pennsylvania, thereafter continuing his studies at the Pulitzer School of Journalism in Columbia University. In 1924 he returned to China and became a reporter on the *North China Star*, later becoming city editor. Leaving the field of journalism temporarily, he joined the faculty of Soochow University, with which institution he remained until 1927, when he became First Secretary of the Foreign Affairs Bureau of Kiangsu Province.

Mr. Chang returned to journalism when appointed managing editor in the Shanghai bureau of the Kuo Min News Agency, in which post he rapidly became a popular member of the local journalistic colony. In 1930 he joined *The China Press* and in the same year was arrested on orders of the Kuomintang Government because of his alleged connections or sympathies with General Feng Yu-hsiang, the "Christian General," who in coalition with General Yen Hsi-shan of Shansi Province was engaged in a war against General Chiang Kai-shek's government. No charge was ever preferred against him in court, and after five months' imprisonment at Lunghua he was released.

In 1932, when the Canton faction joined the Nanking Government and Mr. Eugene Chen became Foreign Minister, Mr. Chang was given the post of Director of Intelligence and Publicity in the Foreign Office. Some time after Mr. Chen vacated the Foreign Ministry, Mr. Chang transferred his activities to the insurance business, becoming agency director of the Asia Life Insurance Company—an enterprise of Mr. C. V. Starr, the American business magnate listed as one of the seven foreigners whom the Nanking puppets now want to deport. While devoting most of his time to the insurance business, Mr. Chang retained his journalistic interests through association in an advisory capacity with Chinese newspapers published by the Post-Mercury Company, another of Mr. C. V. Starr's enterprises. He was a director of the Post-Mercury Company at the time of his death.

The Nanking puppets under Wang Ching-wei made several attempts to induce Mr. Chang to join their ranks, but he remained steadfast in his loyalty to his country. In recent months they threatened him repeatedly, but his resolve was not shaken. The inclusion of his name in the list of those proscribed by the Nanking puppets proved to be his death warrant, and he was shot down

U. S. PRESS FEATURES REPORTS OF SHANGHAI TERRORISM

The press of the United States has given great prominence to the campaign of terrorism being waged by the Wang Ching-wei puppets against Chinese and foreign newspapermen in Shanghai. At the head of its editorial page on July 22, the New York Times published the following comment on the situation: "In one week of terrorism against American, British and Chinese newspapermen in Shanghai, an American-educated Chinese was assassinated, various correspondents have been persuaded to wear bullet-proof vests or accept bodyguards, and the correspondent of the New York Times, Hallett Abend, reports that he has been robbed of various manuscripts and manhandled by Japanese gunmen. This indicates the real conditions existing under a government which claims that it, and it alone, is capable of restoring order in the Far East."

A special cable was sent to Washington this week by the Executive Committee of the American Association in Shanghai, requesting a stronger stand by the United States in this part of the world. The American editors and publishers threatened with deportation by the Wang Ching-wei government are understood to have dispatched a similar request to the authorities in Washington.

in cold blood without having the slightest chance of defending himself.

The likelihood that the murder of Mr. Chang will be followed by attempts on the lives of the others who have been listed—including the seven foreigners whose "deportation" is desired by the puppets—stirred the Shanghai Municipal Council into action. Mr. W. J. Keswick, chairman of the Council, addressed a letter to the Consular Body, expressing horror at the assassination of Mr. Chang, and at the recent bombing of the *Shun Pao*, local Chinese daily of American registry, of which Mr. N. F. Allman, American member of the Council, is director. Mr. Keswick requested an immediate meeting of the Consular Body in an effort to secure cooperation in checking "the present terrible wave of political crime which is destroying all confidence here and ruining the reputation of Shanghai throughout the world."

..

N.Y. TIMES CORRESPONDENT ATTACKED BY JAPANESE THUGS

Testifying anew to the lawlessness which has descended on Shanghai in the wake of the Japanese occupation and the establishment of the puppet regime in Nanking, Mr. Hallett Abend, chief Far Eastern correspondent of the *New York Times*, was attacked, manhandled and robbed by two masked Japanese gunmen who forced their way into his apartment shortly after midnight on July 19, only a few hours after the foul murder of Mr. Samuel H. Chang. Mr. Abend's apartment is on the sixteenth floor of Broadway Mansions, Japanese-owned property facing Soochow Creek in Hongkew.

Answering a knock at the door, Mr. Abend found himself confronted by two civilian-clad Japanese, the lower part of their faces masked with handkerchiefs, and both holding drawn revolvers. They pushed their way into the front hall, closed the door, and then one of them tore out the telephone wire connection while the other viciously kicked one of Mr. Abend's dogs.

Speaking fairly good English, the pair demanded the "anti-Japanese book you are writing." When Mr. Abend told them he was writing no such book, the men prodded him with a gun and demanded to be shown into the office, where they began rummaging among his files. They found the nearly-completed manuscript of a book on the life of General Frederick Townsend Ward. Mr. Abend explained that it was a historical work. One of the men looked it over and found a reference to Japan on the first page, and toward the end an account of how Japanese soldiers had desecrated General Ward's tomb in Sungkiang. Shouting that Mr. Abend was insulting the Japanese Army, the man struck Mr. Abend a heavy blow on the head, knocking off his glasses. He then twisted Mr. Abend's left hand behind his back, forcing Mr. Abend to his knees.

Then ensued a conversation in Japanese between the two intruders, after which the latter demanded of Mr. Abend that he produce "the telegrams you have been sending attacking General Miura (commander of the Japanese gendarmerie)." Mr. Abend

replied that he had sent no such telegrams and offered his dispatch files for inspection. The thugs then began ransacking the office and searched his bedroom and some trunks. Finally they took possession of a manuscript of nine short stories and also the original and carbon copy of the General Ward manuscript. With these in their possession, they backed out of the apartment, keeping Mr. Abend covered with their pistols, warning him that he would be shot if he tried to raise an alarm.

The American authorities have lodged a strong protest with the Japanese authorities over the Abend incident, which occurred in a building situated in Japanese-occupied Hongkew. Tirelessly the Japanese have complained about lawlessness in other parts of the International Settlement which they do not directly control, overlooking the fact that they are themselves responsible for most of it. All the Japanese complaints have been directed toward a single end—the creation of a record which they would use to justify seizure of the Settlement on the ground that the present authorities cannot maintain order. Here, however, is a case of violent lawlessness by Japanese in that part of the Settlement which is under Japanese control.

It is to be doubted that the American protest will have much, if any, beneficial effect. The political crimes of violence in Shanghai are not the result of any temporary aberrations of individuals, but are symptoms of a condition. The Japanese and their Chinese puppets, having expelled the recognized Chinese authority from this area, find that they can command no popular support for the "new order" they are trying to create, and so are resorting to violence to silence opposition. The attack on Mr. Abend and the murder of Mr. Samuel Chang spring from the same noxious root.

..

HUNDREDS ATTEND FUNERAL OF SAMUEL H. CHANG

Funeral rites for the late Samuel H. Chang, popular Chinese journalist and insurance man, who was murdered by gunmen on July 19, took place on Tuesday of this week. Several hundred friends and colleagues of the deceased crowded the Community Church on Avenue Petain where a simple service was said by the Rev. Dr. R. J. McMullen, president of the Hangchow Christian College. A large cortege then wended its way to the Hungjiao Cemetery, where interment took place. Pallbearers were Messrs. C. V. Starr, George Bruce, W. H. Hale, Randall Gould, T. F. Li, T. V. Li, William Shao and Sarkon Ou.

A double cordon of French municipal police, reinforced by two armored cars, guarded all approaches to the Community Church before and during the brief service. Mr. P. M. Anderson, business associate of the late Mr. Chang, read a brief eulogy in which he sketched the career of his deceased colleague.

The remains of Mr. V. Krasson, a Pole who was shot down by the assassins of Mr. Chang when he attempted to halt their escape, were interred at Hungjiao Cemetery on Monday in the presence of a large gathering of the Polish community and others who admired the deceased man's courageous action. Donations to the Y's Men's Club in memory of Mr. Chnag are to be turned over to Mr. Krasson's widow and daughter, who were left destitute, a decision to this effect having been reached by the Y's Men's Club with Mrs. Chang's approval. The fund has reached several thousand dollars and additional sums are still pouring in.

Japanese Raise Duties Here, Bar U. S. Goods at Tientsin

According to a report in the *Sin Wen Pao* on July 22, the Japanese authorities have raised the Chinese customs duties approximately 8%, but information was not available regarding the date for enforcing the new rates. The report stated that the action has been taken because of the decrease in the value of sterling on the New York market. Since duties here must be paid in the notes of the puppet Hwa Hsing Bank, the new rates will involve an increase in the value of these notes from Ch\$2.708 to Ch\$2.887, and an increase in the value of the Customs gold units from Ch\$4.279 to Ch\$4.604.

Japanese customs officials in Tientsin have barred from admission to that port a shipment of American merchandise which arrived there from Shanghai on June 27. The Tientsin office of the American firm, which ordered the material, was informed that no imports could be admitted under the new regulations governing imports and exports. The new regulations, recently introduced by the Japanese, practically prohibited all imports into North China, except from Japan. It was reported that foreign commercial organizations in Shanghai were planning to lodge strong protests with the Japanese regarding the restrictions, which are regarded as a further attempt to force foreign merchants to withdraw from the port of Tientsin.

Halifax Rejects Peace Offer by Chancellor Hitler; Baltic States Seek Absorption by the U.S.S.R.

AS predicted in Italian circles, Chancellor Hitler made a peace offer to Great Britain, using the rostrum of the German Reichstag for this purpose last Friday, July 19. The British Government, through Foreign Secretary Lord Halifax, has flatly rejected the proffered olive branch. Germany is now said to be awaiting a statement by Prime Minister Winston Churchill, who up to this writing has remained silent. If Mr. Churchill, as expected, explicitly affirms the stand of his Foreign Secretary, or if he endorses it by continued silence, Germany will quickly unleash the long-awaited *blitzkrieg* against the British Isles, according to reports from Berlin.

In his address to the Reichstag, Chancellor Hitler formulated his peace offer vaguely in the following terms:

"In this hour I consider it my duty before my conscience to address another appeal to common sense, even in Britain. I believe I can do this, because I am not vanquished and seeking a favor, but speak as a victor on behalf of sound reason. I fail to see any compelling reason for the continuation of this struggle. I am sorry for the victims it will claim. I also want to spare my own people. I know that millions of German men and youths glow at the thought of finally coming to grips with the enemy, who without any cause, and for the second time, has declared war on us. However, I know that at home there are many wives and mothers who, although ready to sacrifice to the last, also cling to the hope of peace. Mr. Churchill may dispose of my statement by saying that it shows fears and doubts of Germany's final victory. But at least I have relieved my conscience regarding the things to come. There will be great suffering for millions of people. Mr. Churchill should believe me this time at least, when I make the following prophecy: the great world empire will be destroyed, the world empire which I never intended to destroy or even to damage. I am fully aware that the continuation of this struggle will end only with the smashing of one of the two combatants. Mr. Churchill may believe that it will be Germany who will be smashed. I know it will be Britain."

The Chancellor, at the beginning of his speech, traced the course of the war to date and declared that Germany had sufficient raw materials and stocks of war supplies to enable her to continue the struggle with the same force as hitherto. Stocks of fuel, he said, are so great that even if all imports should cease, German needs could be fully satisfied. There was sufficient food for a war of any length, he asserted. Regarding relations between the Reich and Soviet Russia, he declared that these were definitely fixed, and that "all hopes for renewed German-Russian tension are childish."

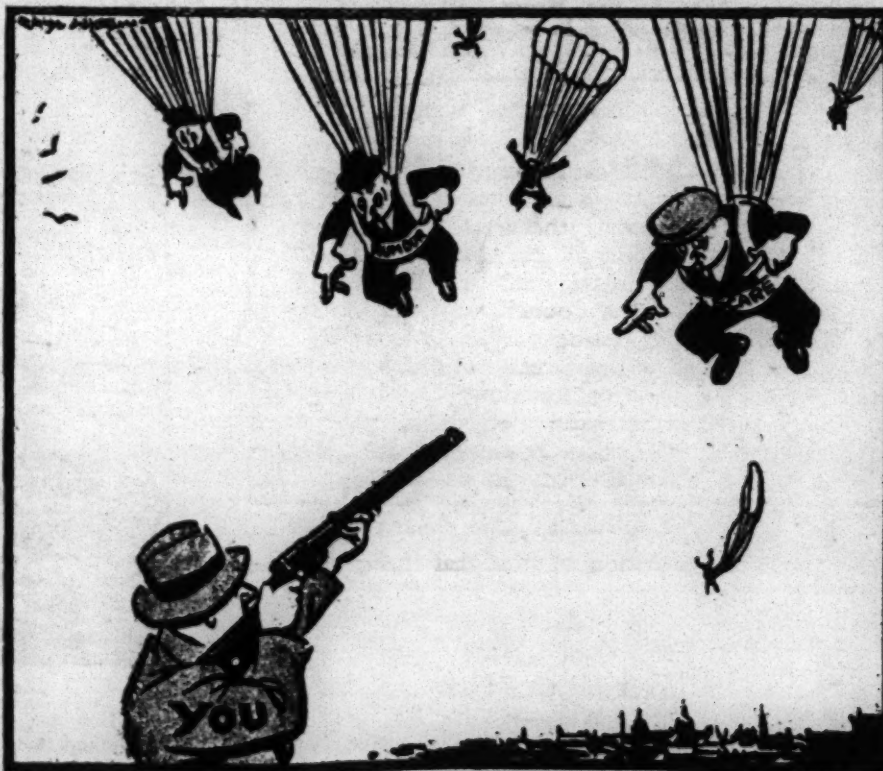
Hitler also announced that Field-Marshal Hermann Goering had been promoted to the rank of the First Reichs Marshal of Greater Germany and had been decorated with the Knight's Cross of the Iron Cross. A number of German officers were named who had been promoted to the rank of Field-Marshal.

The British press reacted promptly to the peace

offer of the German Chancellor, foreshadowing the official rejection to be made by Lord Halifax. Unless by some miracle Prime Minister Churchill reverses the stand announced by his Foreign Secretary, the war will be fought to its bitter conclusion.

Lord Halifax, in a radio broadcast on the night of July 22, declared: "We never wanted war. Certainly no one here wants the war to go on longer than necessary. But we shall not cease fighting until freedom for ourselves and others is secure." Hitler, he declared, had "summoned Britain to capitulate to his will . . . He says he has no desire to destroy the British Empire. But there was in his speech no suggestion that peace must be based on justice; no word of recognition that other nations of Europe have any right to self-deter-

"Shoot Them Down Immediately"



Daily Herald, London

mination, the principle he has so often invoked for Germany. His only appeal was to the base instinct of fear, his only arguments—threats."

Prime Minister Churchill presumably approved the text of the Halifax speech before it was delivered, so there is little prospect of a favorable response by the former, if he should break his silence. Berlin's reaction to the Halifax speech, according to *United Press*, was to express the view that the die had been cast. Hitler, it was stated, would soon show Britain whether he was merely threatening or not. To the British attitude, an authorized spokesman said, "there is only one answer. It does not consist of words. From the German side there is nothing more to discuss. The die is cast."

American press reactions to Hitler's peace offer were to the general effect that the German Chancellor had said nothing which could be interpreted as a genuine peace offer and that Britain would be right in spurning Hitler's overtures. A notable exception was the *Washington Post*, which according to a *Transocean* report urged the British Government at least to ascertain the terms upon which Germany would be ready to conclude peace. No

THE WAR IN CARTOONS

"The Descent of Man"



Somdal in The Boston Herald

Checking the List



Elderman in Washington Post

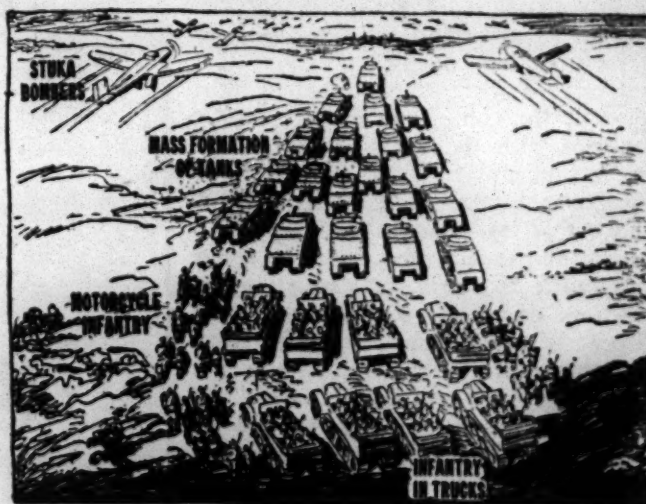
Hitler Interviewed



Punch

Reporter: "Pardon, my Fuehrer, I did not quite catch the word that came before 'am unquestionably the greatest man that has ever lived.'"

Blitzkrieg Tactics



Kansas City Star

How the Nazi offensive works: First, a spearhead of massed tanks attacks the enemy. Then come Nazi motorcycle units and fast-moving motorized infantrymen to come to grips with the forces that have been shattered by the massive "land battleships." Motorized artillery (not shown in the picture) brings up the rear.

Totalitarians Study Balkans



London Daily Mail

one would consider it a sign of weakness if Britain tried to ascertain whether there is still a way out before Europe is plunged into utter darkness, the paper declared.

According to reports in Stockholm newspapers, brought to Shanghai by the *Transocean* agency, Mr. David Lloyd George, British Prime Minister in the last World War, is "fighting for peace and has brought about 40 members of Parliament over to his way of thinking." It is also claimed that he has the support of the Duke of Windsor, lately appointed Governor of the Bahama Islands. Stockholm reports also said that Mr. Lloyd George requested an audience with the King immediately after Hitler's Reichstag speech and that he has demanded a secret session of Parliament to consider the Fuehrer's peace offer.

A notable comment on the situation came from the local Chinese newspaper *Shen Chow Jib Pao* (National Herald), which is closely affiliated with the Kuomintang and therefore with the Chinese Government at Chungking. Britain should consider Hitler's peace offer, the paper said, adding that since Britain was advising China to make peace with Japan, it would be illogical for Britain to refuse Germany's peace offer. As regards the war situation, the paper asserted that the British blockade against Germany had failed completely, while Britain herself was in danger of encirclement by Germany. Hence it would be wise for Britain to think thrice before rejecting Hitler's overtures.

A new commander-in-chief of England's 1,500,000 troops was appointed last week-end in the person of Sir Alan Brooke, who, replacing General Ironside, was promoted from the rank of General Officer Commanding the Southern Command to Commander-in-Chief of the Home Forces. General Ironside was promoted to Field Marshal and will act henceforth in an "advisory capacity," the War Office announced. Sir Alan Brooke, who is 57 years old, commanded the Second Army Corps of the British Expeditionary Force which was recently evacuated from France and played an important role in the mechanization of the British Army. His active field experience is believed the reason for his promotion to the supreme command.

Actual war news during the past week has been extremely light, being featured only by the sinking of the Italian light cruiser Bartolomeo Colleoni, once well-known in Shanghai. The vessel was sunk in a battle with the Australian cruiser H.M.S. Sydney off the island of Crete on July 19. Two hundred and fifty Italian sailors were rescued by a British destroyer as the warship went down, the British Admiralty announced. The Admiralty also announced the sinking of 61,032 tons of merchant shipping during the week ended July 14-15, of which more than half was British.

Such minor incidents of the war were overshadowed early this week by significant developments in north-eastern Europe as the three Baltic states of Lithuania, Latvia and Esthonia ended their independent existence and sought incorporation into the U.S.S.R. New parliaments, in which Communists and their sympathisers

gained majorities as a result of recent elections, formally voted for such incorporation and the Supreme Soviet in Moscow was expected to meet and vote acceptance of the three territories.

These former colonies of the Tsarist Empire, wrenched from Russia under the Treaty of Versailles, had come under Soviet domination as the result of a series of pacts which recently enabled Moscow to establish military bases on their territories. The formal ending of their independence had to follow. That this was largely engineered by Moscow with a view to pushing out Soviet boundaries against the future eventuality of German

British Guns at Gibraltar



British Press Combine photo

attack, cannot be doubted. Yet there is evidence to show that many of the inhabitants of the three Baltic countries favored union with Soviet Russia. The parliaments of the three countries have already nationalized the land and declared it the property of those who work it, and have done the same with regard to banks and large industrial enterprises. They have also cancelled overdue land payments and arrears of taxes and fines imposed on the peasantry. In the circumstances, the reports of popular enthusiasm for union with the U.S.S.R. can hardly be doubted.

In a statement in Washington, Mr. Sumner Welles, Assistant Secretary of State, condemned the absorption of the Baltic states by Soviet Russia as an act tantamount to aggression. His statement caused some surprise since it was the belief that relations between the United States and Soviet Russia had lately been improving.

Taotai. This system of land registration was and is still in force in the areas thus delimited before 1900.

The second extension came in result of negotiations by the French authorities with the Nanking Viceroy and was proclaimed on January 1, 1900. It added 171 acres to the west of the Concession, and carried its western boundary to Rue Paul Beau and Avenue Dubail. The southern border was now moved to Rue Auguste Boppe and Rue Eugene Bard.

In this new extension and the extension of 1914, the methods of land registration were fundamentally changed. The French gave up their exclusive control over the renting of land, and foreigners were permitted to register their deeds in their own consulates. This procedure is the same as in the International Settlement, where it was enforced from the very beginning.

Bigger Extension Still

The extension of 1914 included a new area of 2,167 acres west of the old boundaries and was obtained from the Chinese Republican Government conditional upon Chinese representation on the French Municipal Council. This vast territory, which is much larger than the original area with the two first extensions combined, extends the French Concession up to Route de Siccawei in the South, Avenue Haig in the West, Avenue Haig and Avenue Foch in the North.

As mentioned above, all the deeds in respect of lots of land situated within the territory of the last two extensions were to be registered in the foreign consulates by their respective nationals. Russians and other nationalities not possessing extraterritorial privileges were to register their transactions through the medium of foreign firms possessing such. Chinese lessees were supposed to register their deeds also with the Chinese Municipality, but no express provisions to this effect have been made known.

Japan is now attempting to dispute the legality of the 1900 and 1914 extensions of the French Concession, apparently on the presumption that the French do not exercise full control over this area after they had given away the authority to regulate the transfer of land. Japan seems to give little thought to the fact that the procedure assumed in this zone after 1900 is exactly the same as that in force in the International Settlement and, though it might possess certain defects, is indisputable from the legal point of view.

Faith in Lawful Action?

It may also be that the Japanese are gaining faith in "lawful" action after their unexpected success in taking over the documents of the Land Bureau of Greater Shanghai. However, their tackling of the problem of "rendition" of the French Concession is causing universal surprise. The area "in question," spreading over 2,338 acres, includes the commercial heart of the city, two main thoroughfares with bus and tram lines, schools and hospitals and fashionable residential districts. There will be no legal basis for its rendition to the Japanese so long as the word "legal" is interpreted in

its old-fashioned meaning of being in direct opposition to whatever is made use of by force.

Events in Europe will have a direct bearing upon the development of the issue. France, of course, cannot be expected to rule the fate of this very important possession in the Far East, but whether Germany will let Japan have this bountiful piece of land also remains to be seen.

Japanese Destroy Chenhai, Raze Forts

Chenhai (Chinghai) on the Chekiang coast was in ruins after Japanese naval forces had bombarded it last week, according to Chinese sources in Chungking. Landing parties occupied the town and its

On July 21 *Domei* announced further attempts to close the China coast to traffic with the outside world by "swift and masterly naval action" carried out against Santu island, 80 miles north of Foochow. Landing parties of Japanese Marines were reported to have taken the island after a heavy barrage had been laid down by units of the South China Seas Fleet. The Japanese agency stated that Santuao, the island's port, was key point on the north Fukien coast supply route to Chungking.

It was learned this week that blockade of the Chekiang and Fukien coast has seriously affected Shanghai's import and export trade. Not only have the Customs and the Consolidated Tax Bureau been adversely hit, but food merchants who received many delicacies from Chekiang Pro-

Chinese Air Force Recruits



Photo by Thomas Kwang

Picture shows a number of Chinese air pilots in training for the aviation arm of the country's military forces. Several hundreds of these young men will graduate from China's aviation academies this summer.

vicinity in the face of heavy Chinese fire on Wednesday July 18. The attackers claimed the total destruction of 10 forts which guarded the walled city and the mouth of the Yung River leading to Ningpo. One third-power casualty of the fighting was the German coastal vessel *Karsten*, 800 tons, which was fired upon and sunk by Chinese batteries near Ningpo on July 20. All the crew reached safety. The ship carried no passengers.

On July 22 both the Japanese and Chinese press announced withdrawal of the Japanese forces from Chenhai and its vicinity. The Japanese claimed the withdrawal was according to plan while the Chinese announced the enemy had been driven forth by irresistible counter-attacks. The Chinese also claimed destruction of one Japanese warship and damage to five others during the initial phase of the fighting. It was claimed that 30 Japanese warships including one airplane carrier took part in the operations.

vince have been cut off from all supplies. Closure of the Fukien coast has struck a blow at the cotton export trade.

With completion of operations this week it was announced that Japanese warships will continue to patrol the coast. A protest by the British Embassy last week against Japanese closure of coast ports and particularly of typhoon anchorages, elicited a reply from the Japanese spokesman in Shanghai that ships have every opportunity before sailing to find out whether or not they are likely to run into typhoons. If they are, they should postpone sailing, he said.

Army Draft Movement Launched in Kansu

Under official auspices, a military conscription movement was to be launched in Lanchow, Kansu Province, on July 25. Five publicity groups will be organized by local students to explain the significance of the movement to the public.

Second Konoye Cabinet Installed in Office; Southward Moves Predicted

SUMMONED by the Emperor to head his second Cabinet—the fifth Japanese government since the outbreak of Sino-Japanese hostilities in 1937—Prince Ayamaro Konoye completed the formation of his Ministry last Sunday night. It was officially installed at a ceremony the following evening at the Imperial

New Premier



Prince Konoye

Palace. Prince Konoye was Premier at the outbreak and during the first period of the China war. Speculation is abroad as to whether he will succeed in bringing an end to hostilities which started under the auspices of his first Ministry.

The key post of War Minister has been given to 57-year-old Lieut.-Gen. Hideki Tojo, Inspector-General of Military Aviation, who has held various high posts, including that of sectional chief of the Army General Staff and Commander of Gendarmerie of the Kwantung Army in Manchuria. In 1938 he held the post of Vice-Minister of War, becoming Inspector-General of Military Aviation at the end of that year. He was chosen by the Army's "Big Three" as War Minister in the new Konoye Cabinet. Vice-Admiral Zengo Yoshida retains the post of Navy Minister which he occupied in the cabinet of Premier Yonai.

Sharp as a Razor?

General Tojo, nicknamed "The Razor" by his Army colleagues because of his reputedly sharp intellect and decisiveness, is said to be popular with the Kwantung Army commander, General Umetsu, with whom he reportedly shares the view that the "China Incident" should be speedily settled so that Japan may be able to turn her attention southward.

A surprise appointment was that of Mr. Yosuke Matsuoka, who is Foreign Minister in the new Cabinet. He also holds the portfolio of Over-

ROSTER OF THE NEW NIPPON CABINET

The composition of the new Japanese Cabinet, which was formally installed on the evening of July 22, is as follows:

Premier:— Prince Ayamaro Konoye.
 Foreign Minister:— Mr. Yosuke Matsuoka.
 Home Affairs:— Mr. Eiji Yasui.
 Finance:— Mr. Isao Kawada.
 War:— Lt.-Gen. Hideki Tojo.
 Navy:— Vice-Admiral Zengo Yoshida.
 Justice:— Mr. Akira Kazami.
 Education:— Dr. Kunihiko Hashida.
 Agriculture and Forestry:— Prince Ayamaro Konoye (Concurrent).
 Commerce and Industry:— Mr. Ichizo Kobayashi.
 Communications:— Mr. Shozo Murata.
 Railways:— Mr. Shozo Murata (Concurrent).
 Overseas Affairs:— Mr. Yosuke Matsuoka (Concurrent).
 Welfare:— Mr. Eiji Yasui (Concurrent).
 Without Portfolio:— Mr. Naoki Hoshino.
 Chief Cabinet Secretary:— Mr. Kenji Tomita.
 Director-General of Cabinet Legislative Bureau:— Mr. Chokuyo Murase.
 President of Cabinet Planning Board:— Mr. Naoki Hoshino (Concurrent).

seas Affairs. In 1935 he was appointed President of the South Manchuria Railway, which post he held until April of last year. Prior to that he had served for 17 years in Japan's diplomatic and consular services, his first post being Japanese Consul at Shanghai. He presented Japan's case on the Manchuria issue at Geneva in 1932, when Japan quit the League of Nations following adoption by that body of the Lytton Report condemning the Japanese invasion.

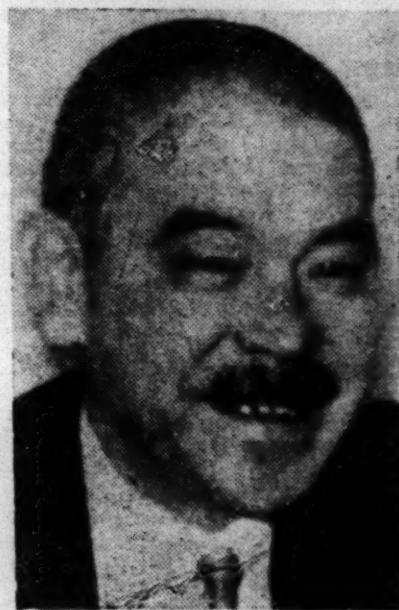
"Action Before Words"

Interviewed by pressmen last week, Mr. Matsuoka said he was tired of talking and that his motto would be "Action before Words." The Tokyo *Nichi-Nichi* attributed to him the view that Japan in East Asia, and Germany and Italy in Europe, should push ahead to their respective objectives. Japan should first dispose of Anglo-French influence in East Asia, stabilize a broad structure embracing Japan, Manchukuo, China and the South Seas, and then conclude an alliance with Germany and Italy, Mr. Matsuoka believes, according to the paper. Another view attributed to him by the paper is that the inclination of the United States to "interfere" in East Asia and the affairs of the Western Pacific is the "greatest menace to the Far East" and should be combatted.

What policy changes the new Cabinet foreshadows is still a question for speculation. That changes are due was indicated by Prince Konoye in his first interview with the press as Premier designate on July 17. Prince Konoye revealed that the resignation of the Yonai Cabinet "was due to the necessity for changes in the nation's foreign policy." In a press interview after his installation, Police Konoye was rather vague about his foreign policy in general, but admitted quite frankly, according to *Domei*, that he was "paying close attention to Japan's southward expansion."

An interesting forecast was made by the *Japan Times* in an editorial on July 21. The paper

"Action Before Words"



Yosuke Matsuoka

opined that the Konoye Government "may well find a way to dispense with the principle of no relations with Chiang Kai-shek, as proclaimed by the first Konoye Cabinet on Jan. 16, 1938." Any peace initiative, the paper said, would have to come from General Chiang, who could either approach the Japanese Army for an armistice or else "work through Wang Ching-wei," whom the paper described as "an old ally of General Chiang who would know how to reach a settlement involving not too great a loss of face for General Chiang."

Regarding Japan's European "orientation," the *Kokumin Shimbun*, considered an organ of the Japanese Army, warned the new Cabinet to play no favorites in its foreign policy. The paper declared there would be no sense in expelling the influence of the democracies from the Orient if this were to be replaced by the influence of the Axis Powers. According to the *Nichi-Nichi*, however, Berlin quarters are warning Japan that further hesitation on her part will cost her the friendship of Germany and Italy, thus leaving her helplessly isolated.

Chinese Comments

Chinese press comments on the Cabinet change in Japan have been consistent. The *Chung Mei Jih Pao*

said that the new Cabinet was "a tool of the Japanese Army for the intensification of the invasion of China" and that the Yonai Cabinet had been compelled to resign because the Army withdrew its support. While intensifying the war in China, the paper asserted, the new Japanese government would carry out the "southward expansion policy" now that the democracies are helpless in the Far East.

The *Shun Pao* shared the same view, but also had something to say regarding the "single party" movement which Premier Konoye leads. This movement, the paper declared, is a fascist movement, and in promoting it Prince Konoye had revealed his own unlimited ambitions. He expects the "single party" system to make possible the establishment of the "New Order" in East Asia by unifying the ruling class and the military, administrative and legislative organs of the government. The paper believes, however, that Prince Konoye will be unable remove the friction between different sections of the Japanese ruling class.

Black Made White

It remained for the *Central China Daily News*, organ of the puppet Wang Ching-wei regime, to make white out of black. The resignation of the Yonai Cabinet, it asserted, flying in the face of obvious facts, was not due to any failure of its domestic or foreign policies, and the cabinet change "represents further improvement in the Japanese political situation." Lin Pai-sheng, Wang's Publicity Minister, chirped: "It is a great pleasure to learn that Prince Konoye, originator of the one-party idea in Japan and author of the famous Konoye Declaration of Dec. 12, 1938, has again accepted the order to form a new cabinet.... We are confident that during this period of readjustment of Sino-Japanese relations, Prince Konoye will lead the Japanese nation to create a new era in East Asia."

Wang Ching-wei sent a telegram to Prince Konoye on July 23, congratulating him on his assumption of office and expressing the view that "the historic mission of Japan will be speedily fulfilled" under his premiership. He also addressed a message to the ex-premier, Admiral Yonai, "thanking him for the political assistance accorded the Chinese National Government (puppets) during his tenure of office."

The *Berlin Deutsche Diplomatisch-Politische Korrespondenz*, Wilhelmstrasse organ, viewed the cabinet change in Japan as an echo of the weighty voice of the Army, certain of the consent (approval?) of wide circles of the Japanese people." Hinting that the new government was expected to cause trouble for the Allies in the Far East, the Nazi organ described Prince Konoye as "a personality which embodies, besides the ancient Japanese tradition, the determination of Japan to carry out its historic mission against elements which are opposing and hampering the new developments in the Far East."

China's Best



烟香牌麗美

My Dear

CIGARETTES

A leading product of

HWA CHING
TOBACCO CO., LTD.

SOLD
EVERYWHERE

How the Plutocrats of Dai Nippon Back the Predatory War in China

EDITOR'S NOTE:—Following is a condensed translation of an article which appeared in the June issue of the "Jitsugyo no Sekai," a Japanese publication. Although the anonymous writer wished to show that his country's plutocrats have backed the predatory war on China, not from profit-seeking motives, but "strictly along the lines of national policy," his data prove just what he seeks to disprove, for there is no real distinction between Japan's national policy and the lust for profits of her plutocrats. The plutocrats have done very well out of the China war—at any rate on paper. If the China war fails to yield real profits, they just showed bad judgment, but this does not alter their motives in the least.

LEADING plutocrats in Japan have in fact been acting strictly along the lines of national policy under the present emergency, although some people are inclined to think that they are, so to speak, the incarnation of profit-seeking capitalism. A brief survey of their activities since the outbreak of the China Affair is therefore not out of place.

Soon after the February 26 Incident of 1936, Mitsui reshuffled its organization set-up by offering many shares of its subsidiaries in the open market and abandoning its monopolistic position in various enterprises, while directors from the Mitsui families retired from responsible posts. Recently a merger of the Mitsui Gomei and Mitsui Bussan Kaisha was announced as a second step toward the rational reorganization of this gigantic realm. This reform project is defended even by a responsible official of the Finance Ministry, although there are those who contend that the proposed merger is aimed at lowering the tax burden on the Mitsui families.

Experts Give Services

One thing to be noted in connection with the economic development of China is that many experts, still on the payroll of Mitsui, have been offering valuable services as interpreters or advisers to the pro-Japanese regimes of China, peace maintenance societies and to the Japanese forces on the continent. Because of its business experience in the past half a century, Mitsui has a large number of financial and technical experts on China affairs. Although they are all absolutely indispensable for its business, Mitsui willingly has offered many of them to the service of the nation.

Among many recent business achievements of Mitsui, the dyestuff and synthetic oil plants at Miike of the Mitsui Mining Company must be considered as the most important. The dyestuff plant is supplying 90 per cent of Japan's needs for indigo colors and a large variety of pharmaceuticals and chemicals badly needed at present due to the stoppage of imports from Germany.

The Heaviest Investor

Mitsui is the heaviest investor in the so-called national policy companies. Mitsui's shares in leading semi-governmental firms are as follows (the number of shares): 18,200 in the Nippon Electric Generation and Transmission Company, 140,000 in the Imperial Fuel Development Company, 340,000 in the Manchuria Synthetic Fuel Company, 13,500 in the Tohoku Promotion Company, 203,460 in the North China Development Company, 59,700 in the Central China Promotion Company, 12,000 in the Formosan Development Company, 40,000

in the Korea Forestry Development Company, 50,000 in the Manchuria Colonization Company, 87,000 in the Nippon Gold Mining Promotion Company, 199,900 in the Hokkaido Artificial Oil Company, 30,000 in the Saghalien Artificial Oil Company, 19,900 in the Manchuria Petroleum Company, and 22,000 in the Imperial Mining Development Company.

Monetary donations made by Mitsui for military and allied purposes since the start of the present Sino-Japanese hostilities total ¥5,084,634, including 13 lots each exceeding ¥50,000 and 103 lots each exceeding ¥1,000 (excluding minor donations of less than ¥1,000). Some of them are as follows: ¥100,000 for consoling officers and men, ¥300,000 for military protection enterprises of the Home Office, ¥117,000 for construction of air defense facilities in Manchukuo, ¥300,000 to the Naval Association and some other naval bodies, ¥100,000 to the Dai Nippon Air Defense Association, ¥2,000,000 to the Imperial Benevolence Soldiers Support Society and another ¥100,000 to the Air Defense Association.

Mitsui's donations for cultural purposes, too, are not small, including ¥300,000 to the East Asia Research Institute, ¥300,000 to the Society for Commemoration of the 26th Centenary

of the Japanese Empire, ¥200,000 to Kyushu Imperial University and ¥50,000 to Kobe University of Commerce.

Mitsui's New Projects

With regard to new projects undertaken by Mitsui much in accordance with national policy, space does not allow us to go into details. Some examples suffice to show the attitude of Mitsui. The Mitsui Bussan Kaisha, for instance, has stationed agents at such interior towns in Manchukuo and China as Mutankiang, Chiamuszu, Tumen, Taiyuan, Shichchiachwang, Tatung, Hoho, Patow, Kalgan, Hsuechow, Haichow, Kaifeng, Pengpu and Haiphong. The Mitsui Mining Company has eagerly exploited various mines under its management. Those Mitsui firms which have increased capitalization include the following: the Nippon Flour Company from ¥8,000,000 to ¥12,000,000, the Toyo High Pressure Industry Company doubling its capitalization to ¥65,000,000, the Japan-Manchou Flax Company from ¥6,000,000 to ¥12,000,000. Then, Mitsui Bussan has separated its shipbuilding department and established the Tama Shipyard, Ltd., capitalized at ¥10,000,000.

Large Contributions

The Mitsubishi Goshi Kaisha late in 1937, or soon after the outbreak of the China Affair, was incorporated into a joint-stock company with a capitalization of ¥120,000,000. Mitsubishi, too, annually donates from two to three

Part of the game...



The pause
that
refreshes

Authorized Bottler
Watson's Mineral Water Co., Inc.

MOVIES you make yourself—Easy to afford with CINÉ-KODAK EIGHT

MOVIE making nowadays is definitely out of the luxury class. Cine-Kodak Eight, the "economy movie maker," gives you a complete movie scene for little more than the cost of an average snapshot.... Your Kodak dealer will gladly demonstrate the economy of this full-fledged movie camera.

EASTMAN KODAK COMPANY

185 Yuen Ming Yuen Road, Shanghai



MOVIES WITHIN THE REACH OF MANY

million yen for social, cultural and military purposes. Its monetary offers since 1937 are estimated at Y5,500,000, even excluding minor ones. Important donations are as follows: Y937,000 to Tokyo Imperial University, Y2,000,000 to the Soldiers Support Society, Y100,000 as military aircraft funds through the Tokyo Asahi Shimbun, Y120,000 for consoling soldiers and donating military mail planes through the Tokyo Nichi Nichi Shimbun and Y360,000 to private-managed social welfare enterprises.

Mitsubishi's investments in national policy firms are estimated at Y4,500,000. Shares held by this financial clique are: 100,000 in the Nippon Electric Generation and Transmission Company, 87,000 in the Nippon Gold Mining Development Company, 22,000 in the Imperial Mining Development Company, 30,000 in the North China Development Company and 10,000 in the Central China Promotion Company.

Mitsubishi sways the heavy industries of Japan through the Mitsubishi Heavy Industries Company, which doubled its capitalization to Y120,000,000 in December, 1937 and again doubled it to Y240,000,000 in March, 1940. The Mitsubishi Electric Company, capitalized at Y30,000,000 fully paid up, recently decided to double its capitalization next August. The Mitsubishi Mining Company, which has been exerting vigorous efforts for developing collieries in the Hokkaido and the Mosan Iron Mine and other mines in Korea, had its capitalization boosted to Y200,000,000. The Mitsubishi Liquefaction Industry Company was established in October, 1937.

Unlike Mitsui, Mitsubishi has no important chemical enterprise, and it is expected to direct greater efforts to this field.

The Mitsubishi Trading Company is said to be getting an enormous profit from its transactions for the military, as well as from its ordinary business. The company has opened up new markets

for Japanese goods in the Near East and Central and South America. Particularly conspicuous are the recent increases in its starch exports to the South Seas, its timber shipments to England, and its transactions, both military and private, on the continent. Then, the company has invested not a small amount of capital in such semi-governmental establishments as the North China Development Company and the Imperial Mining Development Company.

Sumitomo is not much different in willingness to serve the nation from the preceding two financial organizations. It has invested in the Imperial Fuel Development Company, the Hokkaido Artificial Oil Company, the International Electric Communications Company, the North China Development Company, the Central China Promotion Company, the Dai Nippon Airways Company and the Nippon Gold Mining Developing Company. In July, 1939 the Sumitomo Honsha, Ltd. established branch offices at Peking, Hsinking and Shanghai. Sumitomo's monetary donations since the start of the present hostilities are estimated at Y3,000,000, including Y400,000 for naval and military planes and Y1,500,000 to the Soldiers Support Society.

New Sumitomo Enterprises

On the list of Sumitomo's enterprises undertaken since the outbreak of the China Affair, first mention must be made of the Manchuria Sumitomo Metal Industry Company, formerly called the Manchuria Sumitomo Steel Tubing Company, which has now a tubing plant at Anshan and steel and machinery plants at Mukden. These plants are now vigorously making rolling stock and other equipment, it is reported. The Sumitomo Machinery Manufacturing Company in December, 1937 doubled its capitalization

to Y10,000,000. The Sumitomo Metal Industry Company followed suit in August, 1939, boosting its capitalization to Y200,000,000. The Sumitomo Electric Wire Manufactory in September, 1939 increased its capitalization to Y50,000,000 from Y20,000,000 and in November the same year was renamed the Sumitomo Electric Engineering Company. Sumitomo's new projects worth mentioning even in this cursory review are two, viz., the Kaneyabuchi Mining Company, capitalized at Y3,000,000, supplying gold, silver and copper ores to the Sumitomo Mining Company, and the Taiyo Mining Company engaged in nickel ore mining, both established in 1938.

Yasuda, being a purely financial organization, has under its direct control no industrial enterprise except the Imperial Hemp-dressing Company. This does not mean, however, that it has been slow in financing various projects along the lines of national policy. The fact is that Yasuda's investments on the continent have been made briskly through ordinary financial channels.

Besides, Yasuda is much interested in the educational field, managing the Yasuda Engineering School and a foreign language school for colonizers and traders. It is also Yasuda that finances the Zenrin Higher Commercial School of the Zenrin Kyokai (a society interested in Mongolian affairs).

Yasuda is also a liberal donor since the outbreak of the China Incident. Its important donations include the following: Y1,000,000 to the Soldiers Support Society, Y50,000 for military relief, Y150,000 for the commemoration of the 2,600th anniversary of Japan, Y50,000 to the Dai Nippon Air Defense Association, Y50,000 each for naval and military planes, Y25,000 to the Manchuria Air Defense Association, and Y50,000 to a hospital for naval non-commissioned officers.



GO **EMPRESS**

AS USUAL

To North America
Enjoy Canadian Pacific

Service

Comfort
Fun

and a Good Table
a C. P. R. Tradition

Record-breaking trans-Pacific speed, then the trip of trips in air-conditioned trains. See Banff, Lake Louise, Great Lakes, Niagara Falls, Montreal, Quebec. Convenient connecting train service to United States points. If Europe-bound, connect direct with Canadian Pacific Trans-Atlantic liners.

One management all the way!

NEXT SAILINGS

To Pacific Coast:—

Second Week in August.
Second Week in September.
First Week in October.

To Hongkong and Manila:—

Fourth week in August.
Fourth week in September.
Third week in October.



The Bund & Peking Road, Shanghai.
Tel. 19490

Report Says China's Trade Unsatisfactory

The year 1939 was difficult for China. While Japanese armies continued to consolidate their positions along the coast and thus to hamper Chinese foreign trade, the Chungking government was encountering all those problems which beset a backward agricultural nation unprepared industrially, financially or militarily to match its strength against one of the earth's foremost modern powers.

Unequivocally and in detail these facts are stated in the comprehensive 107-page survey, military, political and economic, published last week in the annual report for 1939 of the China Vegetable Oil Corporation. Except for a measure of irrepressible disgust whenever Japan must be mentioned, the report is devoid of propaganda trappings and is stated in clear language easily understood by the layman.

China's ability to finance the war against Japan depends almost entirely upon the value of foreign trade which it can carry on with friendly nations. During 1939 free China's foreign trade dropped from 35 percent to 15 percent of the country's total. The foreign trade of occupied China increased considerably in the same year.

Shanghai's Position

In this connection it is interesting to note that Shanghai, which prior to the hostilities of 1937 handled more than one-half of China's foreign trade, dropped to about 30 percent in 1938 but climbed again in 1939 to its place of eminence, handling some 58 percent of the country's total foreign commerce.

During 1938-1939 the pre-eminent position held by American trade in China was taken over by Japan, largely through the inordinate growth of smuggling in the occupied areas and through the method of misrepresenting the place of origin of imports into free China.

Lack of transportation has always been one of the great weaknesses of China both internally and in maintaining contact with the outside world. Continued blockade of the coast last year drove China to the extreme of utilizing ancient and expensive modes of transportation. While less than 900 kms. of railway were built, work on highways was rushed with all possible haste, but still the animal pack-train in the interior and the coolie train along the coast regions were in wide use at great comparative loss of effort and actual freight, particularly where the leakage of precious tung oil was concerned. Rivers and lakes, too, are widely used in free China wherever it is possible to navigate them.

Government Monopolies

During the year four products furnished 85 percent of Chinese exports. They were tung oil, tea, tin ore and bristles. In order to establish collateral for foreign loans the Chungking government massed these into state monopolies, whereupon two loans were obtained from the U.S.A. and one from the U.S.S.R. The functioning of the monopolies was not, however, a happy experience for China. Producers complained that

the government-fixed prices were too low and at export points like Hongkong, the supply of "free" and smuggled goods was not only abundant but sold at higher prices.

The report does not conclude with the usual Pollyanna note of optimism. It points out that the Chungking government's efforts to regulate trade and exchange activities had no satisfactory results in 1939. The Chinese dollar declined in value and foreign trade diminished. The country's future position is likely to depend, therefore, upon how the morale of the people of free China measures up to the government's economic regimentation.

Mexico Examines Status of Chinese Residents

The passports of 15,000 Chinese living in Mexico were ordered investigated by the Home Ministry in Mexico City July 21, according to *Transocean*. It was expected that at least one quarter of these would be deported as their documents are not in order, or because the holders have engaged in illegal activity, the report stated.

Lilin

against Dysentery

"LILIN" is a trade name for the chemical compound Iodo-hydroxyquinoline-sulphonic acid with sodium bicarbonate produced by

Kuang Ming Chemical & Pharmaceutical Works, Ltd.

Obtainable at all Dispensaries & Pharmacies

IF BABY IS CROSS FIND OUT WHY

Healthy Babies are not cross. Your baby should not be cross. If he is, then something in his little system is "out of order." Probably Baby's Own Tablets can promptly "put it right."

Mrs. B. Barnet of Toronto, had this experience. "My baby was terribly cross. I tried different remedies but nothing seemed to help. A neighbour suggested trying Baby's Own Tablets. I did and baby slept nights and we got our sleep. He was good in the day time. I cannot recommend Baby's Own Tablets too highly."

No matter how delicate your baby may be, these little tablets may be administered with perfect confidence. They are the prescription of a British medical child-specialist. Promptly effective in clearing up simple fevers, diarrhoea, colic, constipation, worms, colds and teething troubles and other minor ailments.

Sickness often strikes in the night, so be prepared by keeping Baby's Own Tablets in your home. From all chemists.

Delegates Discuss Nanking-Japan Pact

The Nanking regime continued its negotiations with Japan for a basic treaty, with two meetings between Chinese and Japanese delegates at Nanking on July 19 and July 21. The draft of the proposed treaty was discussed on both occasions. It is probable that an agreement will be signed in the near future whereby Japan will recognize Wang Ching-wei as legal head of the Chinese government, and the latter's obligations and legal rights as a puppet of Japan will be defined.

The Nanking Central Political Council held its fifteenth meeting on July 18. An indication that corruption is already rife in the new administration was the discussion of a proposal that responsible officers of the various ministries should take precautions to insure that "unworthy civil servants" on their staffs were not given the opportunity to overdraw public funds by the simple device of employing names. Other measures adopted were regulations for organization of municipal police in occupied China, and a proposal to hold an examination for civil servants in October. Wang I-tang, chairman of the North China Political Affairs Commission, was present on a special mission from Peiping to report on the recent work of his organization.

In an attempt to popularize the Nanking regime with the Shanghai press, Lin Pai-sheng, Nanking Minister of publicity, held a large reception at the Shanghai home of another Nanking adherent, Tang Leang-li. This was on July 20, the day following the murder of Sammy Chang, Shanghai newspaperman, by Nanking gunmen.

Lin rattled out statistics showing how the populations of Nanking, Canton and other cities in Japanese-occupied territory have increased since the coming of the Wang Ching-wei administration. He said that industrial and agricultural activity had shown considerable improvement during recent months and that many of the country's leading technical experts have "hastened to jump aboard the new ship of state,"—in American terminology, to "climb on the bandwagon."

Burmese Parties Start Independence Movement

Liberal parties in Burma initiated a movement for independence from Great Britain at a mass meeting in Rangoon on July 7, according to a report early this week in the Chungking *Ta Kung Pao*. The meeting reportedly issued a manifesto demanding independence for Burma in view of the fact that the British Government has announced as one of its war aims the protection of the independence of smaller nations. But contrary to this, the manifesto pointed out, the authorities in Burma have been arresting Burmese leaders and confiscating liberal newspapers. Release of the arrested leaders was demanded.

WRITING IS REVOLUTIONIZED BY
TWO PARKER TRIUMPHS

... **NEW VACUMATIC PEN**
is guaranteed for life!

... **NEW KIND OF INK**
cleans your pen as it writes!



Setting an entirely new standard of excellence, the Parker Vacumatic BLUE DIAMOND Pen is guaranteed for life to give flawless service. Every pen released for sale must have passed Parker's 39 rigid perfection tests 100%.



Parker Quink, the new-day ink, contains 5 secret, harmless ingredients that actually dissolve grit, gum and dirt deposited by old-time inferior inks. Eliminates 69% of all pen troubles. Vastly improves any pen.



For supreme writing ease and pleasure, "Guaranteed for Life" use the new Parker Vacumatic BLUE DIAMOND Pen *plus* Parker Quink. And to improve any other pens in the family, fill them all with self-cleaning Quink.

Two kinds:
Washable
and
Permanent

Parker Quink

Silken-Smooth
Point

ALL Parker Pens
have 14K Solid
Gold Points
Osmidium
tipped

71-38

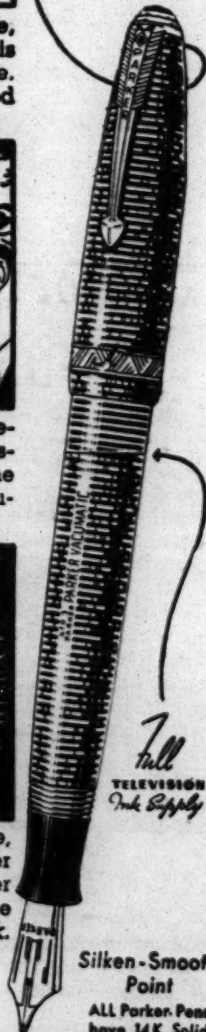
*Pens marked with the Blue Diamond are guaranteed for the life of the owner against everything except loss or intentional damage, subject only to a small service charge to cover postage, insurance and handling.

Blue Diamond Pens U.S.\$10.00 or U.S.\$8.75; others from U.S.\$5.00 up.

Factory Sales Representatives:
Dodge & Seymour (China) Ltd.

51 CANTON ROAD - - - - - SHANGHAI

*Parker Vacumatic Pens
marked with the
Blue Diamond on the
Arrow Clip are
Guaranteed for Life.



行 銀 東 廣

司 公 限 有

THE BANK OF CANTON, LTD.

(INCORPORATED IN HONGKONG)

HEAD OFFICE:

6 Des Voeux Road Central, Hong Kong

PAID-UP CAPITAL - - - - - HK\$7,793,390.00

GENERAL RESERVE - - - - - HK\$1,500,000.00

BRANCHES: SHANGHAI HANKOW
CANTON TOISHAN
BANGKOK

SUBSIDIARIES: SAN FRANCISCO MACAU

Agents in all principal cities of the world.

Every Description of Banking and Exchange Business transacted.

Japanese Army May Return Chinese Property

An effort to entice idle Chinese capital into Japanese-occupied territory was instituted last week in Shanghai and Canton with the announcement that Chinese property now in Japanese custody will be returned as soon as possible to its original owners. Fear of further Japanese aggression both in Hongkong and in the foreign concessions of Shanghai has caused many Chinese to withdraw investments from these areas in recent weeks.

The Japanese policy of returning Chinese property in occupied China to the rightful owners, was first outlined upon the installation last March of Wang Ching-wei and the Nanking regime. Since then little has been heard of it. The matter was broached anew in Shanghai on July 17, when it was announced that the Japanese Army's Committee for the disposal of factories under Japanese custody, would sponsor a series of meetings to be held this week and next between Chinese and Japanese factory owners.

A joint statement issued by the Japanese fighting services in South China on July 20 declared that properties formerly owned by the Kwangtung Provincial Government or the Canton Municipality, and presently operated by Japanese interests, would shortly be returned to the Chinese. This will be done in accordance with Premier Konoye's three basic principles for the readjustment of Sino-Japanese relations: good neighborliness, economic cooperation, and mutual defense against Communism. The statement made it clear, however, that nothing will be

done to "thwart legitimate Japanese business interests in South China."

Heavy Rainfall Brings Floods to Shantung

Floods were inundating more than 20 districts in Shantung Province this week as a result of continuous heavy rainfall, it was reported July 23 by Havas. Among the areas affected are the Tseyang, Tsining, Chufu, Tsehsien, Changyi, Wenshang and Tungping districts. Shantung provincial officials have already been dispatched for relief work and the administration has wired the North China Political Council, requesting funds.

O.S.K. President Joins Cabinet; Officials Reshuffled

Mr. Eitaro Okada, Vice-President of the Osaka Shosen Kaisha, was made head of the firm to succeed Mr. Shozo Murata who has become Minister of Communications in the new Konoye Cabinet, Domei reported July 24. At the same time it was announced, that the Shanghai sub-manager of the company, Mr. Keisuke Yamasaki, will be transferred to the Tokyo office of O.S.K. as sub-manager.

Calcutta Masses Protest Arrest of Congress Head

Mass meetings took place in Calcutta last week to demand immediate release by the Indian Government of Subhas Chandra Bose, left-wing leader of the Indian National Congress who was arrested July 3 under the Defense of India Regulations, Transocean reported.

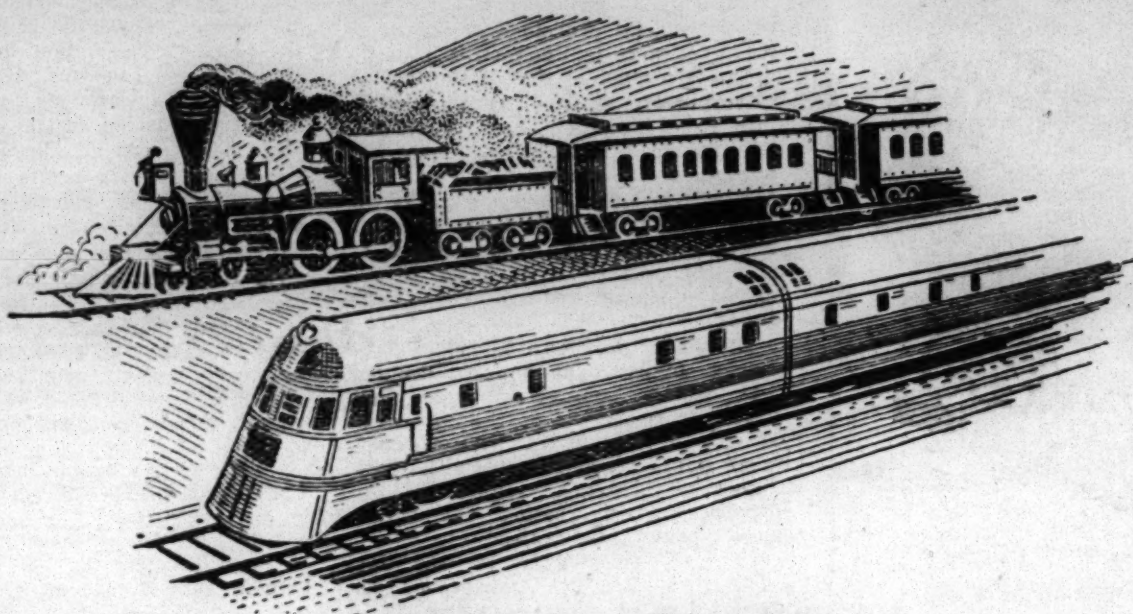
Hongkong Continues Preparation for War

The government of Hongkong hastened measures to stave off attack last week, with the announcement that 12 huge emergency water supply tanks will be built at strategic points on the island. At the same time an official appeal was issued for 1,700 air-raid wardens to man the 450 warden posts in the colony. A special sub-committee has completed the study of a proposal to pay those mobilized for this service. Sandbags have already been issued to all warden posts, which are located in thickly populated areas. Twenty-one first-aid stations are ready for any emergency in the colony.

Cooperative Association Meets in Chungking

The second annual conference of the Chinese Industrial Cooperative Association met in Chungking between July 10 and 15. It was urged by Dr. H. H. Kung, vice-president of the Executive Yuan, to redouble every effort towards national reconstruction. Problems discussed were the relationship between the labor unions and national economy, and between the campaign of resistance and the cooperative movement.

A two-day food conference was convened on July 15 by the Kiangsi Provisional Food Control Bureau, to devise measures for the readjustment of the food situation in the province. Regulation of food supply to various parts of Kiangsi was one of the questions discussed.



MODES OF TRAVEL

Through modern, efficient, world—wide AMERICAN EXPRESS you can arrange for passage by steamer, rail or plane to any place in the world.

Keep a dependable "headquarters" in leading cities; purchase baggage insurance; and safeguard your travel funds with

AMERICAN EXPRESS TRAVELLERS' CHEQUES

**DIAL
16278**

The American Express Co., Inc.

158 KIUKIANG ROAD

TELEPHONE 16278



Light, Flaky, Delicious.
32 Varieties—plain or cream.
Sold Loose and in tins.

BAKERITE COMPANY
Fed. Inc., U.S.A.

Agents in Peking, Tientsin,
Hongkong, Kulangsu,
Batavia.

MADE with EXTON
Du Pont's new bristle
like filament, made
exclusively for

The New

Dr. West's
Miracle-Tuft
TOOTHBRUSH

Get yours
today

At last the perfect tooth
brush! Can't get soggy,
can't shed, cleans teeth better than
ever before possible. Lasts longer.

Factory Sales Representatives:
Dodge & Seymour (China) Ltd.
51 CANTON ROAD - - SHANGHAI

Closure of Burma Highway Gazetted

On July 20 an extraordinary issue of the official *Burma Gazette* made its appearance in Rangoon to promulgate the recent decision of the British Government to ban transportation into Free China of arms, munitions, gasoline, trucks and railway materials by way of the Burma highway. The ban will be effective for a period of three months, during which time, as officially intimated, Britain hopes to play the role of a mediator to re-establish peace between China and Japan.

Britain's decision to close the Burma highway at Japan's demand was widely commented upon last week. It seemed to be the consensus of opinion that the British Government would be confronted with fresh Japanese demands regarding the Burma highway before the three-month period has expired.

In London on July 18, the day after the British Ambassador in Tokyo had set his signature to a document agreeing to the closure, Prime Minister Winston Churchill declared in the House of Commons: "I think all that happens to us in the Far East is likely to be very much influenced by what may happen over here." In other words, Britain's Far Eastern policy has become subordinate to present war exigencies and the British Government is playing for time with Japan, meanwhile making concessions that it is hoped will be of a temporary nature.

Denounced by China

Spokesmen of the Chinese Government at Chungking denounced the Anglo-Japanese agreement on the Burma highway as an act unfriendly to China and as a violation of international law. Chinese newspapers saw in the accord the beginning of an effort to force China into peace talks with Japan.

H. G. W. Woodhead, C.B.E., who writes a daily column in the *Shanghai Evening Post & Mercury*, and who is by habit an attorney for British policy in the Far East, declared that "no self-respecting Briton can regard such a concession to Japan with pride or satisfaction." He admitted that it was a serious departure from the recommendation of the League of Nations' Assembly (to which Britain was a party) of Oct. 6, 1937, that members of the League "should refrain from any action which might

have the effect of weakening China's power of resistance, and thus of increasing her difficulties in the present conflict."

Having admitted this much, Mr. Woodhead expressed resentment at the action of Americans in describing the British action as "another Munich." He ended up by justifying the British action on the ground that Britain had undoubtedly sounded out the United States before acting and, being given no assurance of real support if she took a strong stand against Japan, had acted solely in her own interests, which for the time being are dictated by the exigencies of the war in Europe. Britain, he said, could not be expected seriously to involve herself with Japan in the Far East while faced with an imminent attack by Germany.

General Catroux Abandons Indo-China Governorship

General Catroux, Governor of French Indo-China, announced in a proclamation on July 20 that he would the following day hand over his duties to Vice-Admiral Decoux, the commander-in-chief of the French Far Eastern Fleet, who was appointed Governor by decree of the Petain Government on June 25. Previously, it was reported that General Catroux had refused to relinquish his post.

In his proclamation, General Catroux said: "Frenchmen and Indo-Chinese—Deferring to the order of the true French Government I will hand over my duties tomorrow to Vice-Admiral Decoux, who was appointed Governor of Indo-China by decree of June 25. I bid you farewell. I leave you with sadness, and also with pride.... I shouldered my responsibilities and saved you your land, your money, your foreign currency, your possessions and—what are more precious to you—your honor and your flag. I have provided for your security. We have maintained our friendships and I have searched valuable new ones.... In this realistic conduct of affairs, your loyalty was not made a subject of traffic.... This policy maintains the prestige of France in the Far East. It has supported French interests. My task in Indo-China is now completed."

It was General Catroux who surrendered recently to the Japanese demand for closure of the Yunnan Railway to the transportation of supplies to Free China.



All forms of LIFE INSURANCE and ANNUITIES written in all currencies.

Let us consult with you concerning your insurance problems.

OCCIDENTAL LIFE INSURANCE COMPANY
"The largest American Life Insurance Company operating in China"

P.M. Anderson & Co.
General Agents for China

113 Kiukiang Road
Shanghai

THE CENTRAL BANK OF CHINA

A BANKERS' BANK

HEAD OFFICE :
CHUNGKING

SHANGHAI OFFICE :

Telephone: 74430

Cables: "Governbank"

BRANCHES :

SHANGHAI	Swatow	Nancheng	Nankiang
HANGHSIEN (Yungkang)	Kongmoon	Lanchow	Tselsutsing
Ningpo	WUCHOW	Tienschui	Nanpu
Chuhsien	Kweilin	Kweiyang	Mienyang
AMOY	TIENTSIN	Pankhsien	Loshan
Foochow	Peiping	KUNMING	Kwangyuan
Tsinkiang	NANCHANG	Mengtsu	Santai
Nanping	Kian	CHUNGKING	ICHANG
Chienow	Linchuan	Chengtu	Hankow
Pucheng	Chengchow	Wankhsien	Changsha
Santuan	Kaifeng (Nanyang)	Ipin	Changteh
Kulangsu	LOYANG	Yaan	Hengyang
CANTON	Sian	Kiangtsing	Lingling

FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA AND HONGKONG

Local Utility Workers Strike for Better Pay

Strikes slowed up the service of three public utility companies in the foreign concessions of Shanghai last week, although without serious disruption.

The first of the strikes began on July 18 when 180 members of the distribution department of the International Settlement's Shanghai Gas Company demanded 10 per cent increases in pay and \$15 per month increase in temporary rice allowance.

To back up their demands they declared a go-slow strike. When the company refused to negotiate unless the strike were conducted according to formal procedure, 180 men walked out. Last Saturday morning the strikers persuaded 50 office workers in the Yu Ya Ching Road department to join them in a sympathy strike. The foreign staff of the company acted as effective strike-breakers by carrying on the tasks of their Chinese subordinates.

Workshop mechanics of the French tramway Company struck for higher wages last Sunday, but next day agreed to resume work during discussion of their demands with the management for better pay, they were told that nothing would be discussed until they returned to work. In the meantime, close cooperation was maintained between the management and French police. The company by dint of hard work was able to keep up its tram, water and electric services in the French Concession.

The Japanese-owned Central China Urban Motor Transport Company, which operates a bus service in Hongkew, was faced with a strike last Sunday when some 180 Chinese mechanics, chauffeurs and conductresses walked out after demanding higher wages. The Japanese management met Sunday evening and decided upon drastic measures to crush the strike. All the affected employees were dismissed for participation and it was decided to fill their places with new recruits.

Szechwan Air Raids Claim 1,000 Lives

One thousand Chinese civilians were reported dead after Japanese bombers in four waves raided Hochwan and Kikiang, 30 miles north and 50 miles south of Chungking respectively, on July 22. Between 100 and 120 Japanese planes took part in the raids. No attempt was made to raid Chungking.

However, two Japanese scouting planes which ventured over Chungking for reconnaissance purposes, were shot down by Chinese pursuit planes it was officially reported. It was later learned that the Chinese Government had offered a prize of \$200,000 for every Japanese plane brought down, an indication that few have been destroyed in the past.

Another Japanese air-raid the same morning was carried out over the headquarters of Gen. Fu Tso-yi, commander of the 26th Division, at Tingsuntien, east of Wuyuan, western Suiyuan, a Japanese report stated. An earlier raid the same day was made by Japanese army fliers, on Linho, southwest of Wuyuan, according to the same report.

Chengtu, capital of Szechwan Province, was bombed by six Japanese Army air squadrons on the afternoon of July 24, according to a Japanese military communique which claimed that the raiders scored direct hits on "all military establishments, including important munitions factories, the Governor-General's office and other objectives." This was the first Japanese air attack on Chengtu, and the Japanese claimed to have shot down one of 15 Chinese fighter planes which rose to give battle to the raiders.

According to a *Havas* report from Chungking this week, all foreign embassies and consulates in that city have now removed to the south bank of the Yangtze, with the single exception of the Soviet Embassy which, badly damaged in a recent Japanese air raid, is now undergoing repairs.

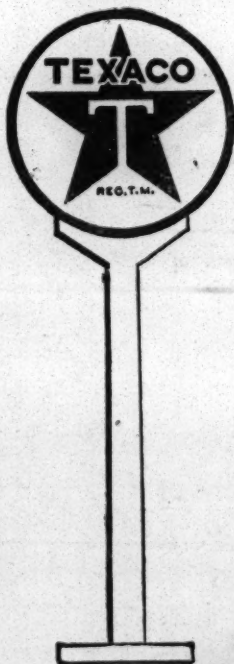
Manchukuo Restricts Import of Money

The government of Manchukuo moved last week to check the depreciation of yen-bloc currency, by imposing a 50 yuan limit on any person bringing money into the country. The decree followed that of a week earlier which had imposed a 200 yuan limit on all money imports. The Kwantung Leased Territory has taken similar steps to that of Manchukuo, and both North China and Japan have acted in like manner to stop the importation of the depreciated yen-bloc currency.

Coolies who swarm into the puppet empire from north China each year, will suffer most from the restrictions, which also prohibit remittance abroad of money without permit, a measure which replaces the former free limit of 500 yuan on all remittances.

Call For Texaco Products

Texaco gasoline



Lively performance, economical and receiving full value for every cent you spend, when purchasing Texaco gasoline.

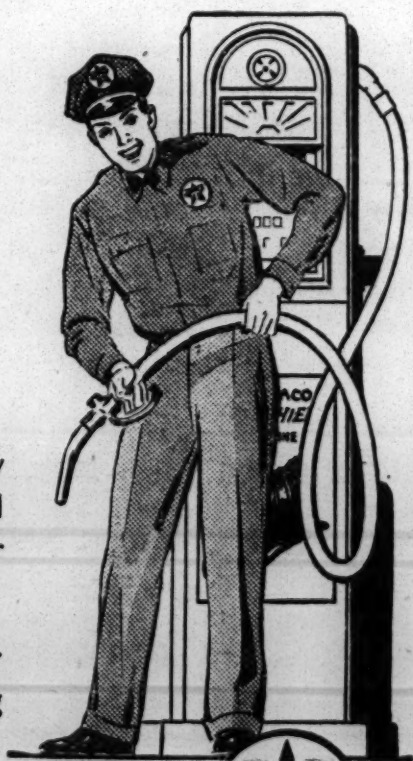
Texaco Motor Oil

Insulated, made of special crude and specially refined.

MARFAK

Known the world over. Try Marfak Lubrication once and it then becomes a friend for life.

Try these products at our service stations and leading garages.



U.S. Sailors in Tsingtao Incident

When an American Navy shore patrol prevented Japanese gendarmes from arresting two unruly U.S. sailors in Tsingtao July 20, another incident was added to the growing

HANGCHOW JAPANESE HIT AMERICAN 'ATROCITIES'

A manifesto condemning what they called "atrocities done by the American Marines on some Japanese gendarmes in Shanghai," and warning Americans of the possible consequences of Japanese "anger," was issued this week by Japanese residents in Hangchow, leading Chekiang city. The manifesto read:

"Since the occurrence of atrocities done by the American Marines on some Japanese gendarmes in Shanghai, the American Government has tried to avert its responsibility on one pretext or another and the case has not yet been settled up to the present. This kind of hostile attitude on the part of the Americans can never be tolerated by us. The Americans have gradually lost their influence in Europe. In the past the U.S.A. as a representative of other third powers, tried to obstruct the accomplishment of the Japanese sacred campaign, and we have long tolerated their hostile acts. But at present our anger has been aroused to such a high point that we want to warn the Americans. If they do not give up their hostile attitude and withdraw from Asia forthwith, Japan will take further steps as soon as the new Japanese cabinet is organized. It is the firm stand of the Japanese people that they will not retreat, and it is hoped that this determination will not be over-looked by others. This is our warning."

list of those which have occurred in recent weeks between American armed forces and Japanese in China.

The gendarmes evidently overstepped the bounds of their authority in attempting to hold men in uniform who are never subject to detention by any but their own military police. This would hold just as true of Japanese sailors in American ports. As usual, however, the Japanese adopted a resentful and injured attitude over the matter. The incident occurred when the two sailors left a restaurant without paying and were subsequently seized by the Japanese police who, instead of turning the culprits over to the shore patrol, insisted on taking them to a police station. The shore patrol put its foot down in the face of the policemen and a large crowd of Chinese.

The echo of an earlier affair was heard in Shanghai on July 19 when Japanese Consul-General Y. Miura demanded in a formal note to the American Consul-General that a formal apology be made for alleged assaults on two Japanese in the Cafe

Kaiser Wilhelm: "Again"



Daily Mail, London

Pacific July 15, by three U.S. Marines. The note reserved the right to demand compensation. Punishment of the Marines involved was also asked.

According to a Domei release of

July 18, Col. DeWitt Peck, U.S. Marine commander in Shanghai, has begun detailed investigation of the circumstances of the arrest of 16 Japanese gendarmes by American Marines on July 7.

BANK OF CHINA

The Specially Chartered International Exchange Bank of China

With Branches and Sub-branches throughout
China, and Agencies and Correspondents
all over the world, this Bank offers
all kinds of banking facilities
to meet your personal and
business requirements.

624 Avenue Joffre

Shanghai, China

Havana Meet Prepares Against Totalitarian Victory in Europe

ESTABLISHMENT of an inter-American cartel system to insure the sale of all surplus exports of the 21 American republics; defense of the Western Hemisphere against totalitarian ideas and agents; disposal of European possessions in the new world: these were the problems facing the foreign ministers of the American republics when they convened in Havana July 21 for the first Pan-American conference to be held since September, 1939. The gathering was proposed as a result of German military successes last spring, with the idea of insulating the Americas from the effects of the European war.

U. S. Secretary of State Cordell Hull indicated the purely precautionary nature of the conference vis-a-vis Europe, when during the course of a long speech before the first plenary session on July 22, he declared: "We must be in a position to move rapidly and without hesitation."

Trusteeship Proposal

United States endorsement of a suggestion that a trusteeship be formed of all the American republics over, French and Dutch possessions in their hemisphere, was announced by Mr. Hull in his speech. He said: "We have no desire to absorb these possessions or to extend our sovereignty or include them in any form of sphere of influence, but we could

not permit these regions to become the subject of barter in a settlement of European differences or a battle-ground for the settlement of these differences." He then expressed the fear that the possessions might be made a springboard for the injection of totalitarian systems into the political life of the Americas and declared the United States would be willing to cooperate in execution of a plan of trusteeship. This, he pointed out, would not work like the mandate system of the League of Nations, in the sole interest of one power, but for the benefit of the entire hemisphere. Furthermore, he insisted, the possessions must be returned to their original sovereigns as soon as conditions permitted, or be declared independent when they

should be able to establish and maintain self-government. It was expected that Cuba would be entrusted with drawing up the resolution providing for trusteeship. Without giving any reason Argentina rejected the proposal of trusteeship on July 24.

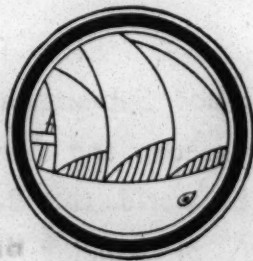
"Where There's Smoke—"



The New York Times

THE BEST STENCIL PAPER MADE IN CHINA

TRADE



MARK

MIDLAND stencil paper is good for handwriting or typewriting with fine or heavy paper.

MIDLAND stencil paper comes in three sizes: A, B, and C, which are suitable for any duplicator.

Obtainable at all bookstores and stationery shops.
For special orders communicate with

CHINA MIDLAND FACTORY

ESTABLISHED IN 1935

MANUFACTURERS OF CARBON PAPER, STENCIL PAPER, PASTE, MUCILAGE, PENHOLDERS AND INK.

48 Rue Admiral Bayle,
Shanghai, China

Phone 86734
Cable "5796"

Fifth Column Condemned

The "fifth column" of alien governments came in for a blast from Mr. Hull when he declared that joint action must be taken by the American governments to stamp out the "termites of alien propaganda" who had for a long time been undermining the independence of American political institutions. "To this no friendly government can object," said Mr. Hull. "The inter-American system carries no implication of aggression and no threat to any nation. It is based solely on a policy of self-defense designed to preserve the independence and integrity of all American republics. It implies no hegemony of any member of the inter-American group, but equally rejects the thesis of hegemony by anyone else."

Observers immediately seized on this statement as a rebuff to the newly enunciated Japanese "Monroe Doctrine" and as an elucidation of President Roosevelt's "triple Monroe Doctrine" statement issued earlier in the month. Uruguay, where Nazi activities have been particularly intense during past months, was entrusted with outlining proposals for combatting the "fifth column."

U.S. Economic Proposal

Presentation of the important economic program was reserved for the United States. The foreign ministers were told by Mr. Hull that the U.S. cartel proposals include: (1) The expansion of an inter-American advisory committee for economic questions; (2) the establishment of a sales organization for

disposal of American surplus exports; (3) the conclusion of agreements concerning raw materials, assuring equitable prices to both producers and consumers; (4) deliberation concerning measures to be adopted to promote the standard of living in Latin-American countries.

First reactions to the objectives of the conference were diverse. The press in Great Britain immediately endorsed the work undertaken, declaring it a warning to Europe's totalitarian states. The French expressed great distress that their colonies should be included in any scheme of trusteeship and it was believed that the impending journey of M. Camille Chautemps to South America would be made the occasion to enlist Latin American sympathy. The former French Premier will also examine the possibilities of increasing French trade with South America where, according to *Transocean*, it is being systematically eradicated by both British and north American interests.

A *Domei* report from Washington announced on July 23 that despite the hopes of Mr. Hull for close cooperation between the American republics, foreign experts in Washington were expressing belief that the Havana conference would subject Pan-American solidarity to a severe test. Some of these quarters believed the parleys would witness the beginning of inter-American strife which will eventually split the Western Hemisphere into rival blocs, one linked with the United States and the other with a Nazified Europe. This tendency would be greatly strengthened by an Axis victory, according to this view.

Spain Breaks With Chile

An indication that totalitarian Europe wastes no love on the republican Americas was Spain's severance of diplomatic relations with Chile on July 17. The Spanish Government, according to *Transocean*, declared that the measure was carried out because the popular front governments of Chile have systematically assisted all Spanish "traitors," i.e. Republicans, while at the same time taking up a hostile attitude towards the Nationalist regime. The immediate cause of the rupture was a speech made June 27 in the public square of Santiago in which Spain was allegedly insulted in the presence of the President of Chile. Representations made by the Spanish Government met with only half-hearted excuses, declared the German report, although a dispatch from Chile stated the government there had officially disavowed the speech mentioned in the Spanish note. Chile was sanctuary for hundreds of Republican refugees from Spain after the civil war in that country.

French Consul Attacked By Bandits Near Tientsin

Mr. Lucien Colin, French Consul at Tientsin, his wife and their chauffeur, underwent a harrowing experience on July 19 when 10 Chinese bandits ambushed them as they were driving to Peiping. The marauders fired a hail of shots at the travellers. Mr. Colin, at the wheel, accelerated the

speed of the car and the party passed out of danger only to discover, some four miles further on, that the gunfire had damaged the engine. The car had to be abandoned at a point about 30 miles from Peiping. The three then hiked some 10 miles to the nearest railway station and continued their journey.

Officials in Hunan Executed for Corruption

Li Jo-hsu, chief of the Military Affairs Section of the Yuankiang District Government, and Han Shih-yi, a secretary in the same district government, were executed July 19 by order of the Hunan Army Control Area Headquarters, according to a *Kuo Min* report from Leiyang. The pair had been tried and found guilty of extortion and corruption, the report stated, it having been found that during the recent registration of able-bodied citizens for military service they had extorted \$1,000 from a man named Tsao Tzu-kai as a bribe for exempting him.

Chungking Placarded with Anti-British Posters

Anti-British agitation raised its head in Chungking this week with the appearance on walls throughout city of posters bearing the inscription: "Britain has betrayed not only Czechoslovakia, Poland, Norway and France, but—through supporting the Japanese blockade—is now also trying to betray China." The posters were signed by the Chinese Cultural So-

ciety. The German agency *Transocean* alone carried the report.

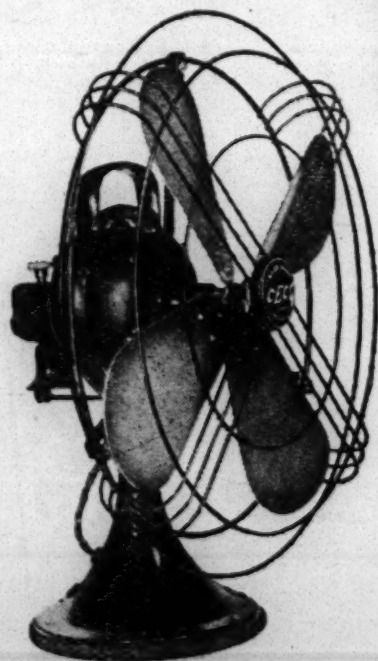
In Kunming, the Anti-Aggression Campaign Committee on July 23 sent an urgent appeal to its London branch asking it to request the British government to lift the ban on the Burma highway as a necessary step for the preservation of Sino-British friendship.

U.S. Willing to Parley On Extrality Issue

The United States Government is willing to resume negotiations for the surrender of extraterritorial rights in China under peaceful conditions, Mr. Sumner Welles, Acting Secretary of State, told the press in Washington, according to a *United Press* dispatch on July 20. This statement followed a similar declaration by the British Government recently. Mr. Welles said that discussions which various governments had been having with China on the issue of extraterritoriality had been interrupted by the outbreak of hostilities in China in 1937.

Nippon Mission Members Massacred by Bandits

Four school teachers, including the principal of a middle school, comprising a Japanese Educational Mission, were ambushed and massacred July 17 by Chinese guerrillas while proceeding from southwest of Paoting, on the Peking-Hankow Railway, to Wanhien, according to a *Domei* report from Shihchiachwang, on July 19.



"CECO" ELECTRIC FANS

HAVE EVERYTHING

- BEAUTY
- QUIETNESS
- EFFICIENCY
- LONG LIFE

China Electric Company

LIMITED
INC. IN U.S.A.

230 Medhurst Road, Shanghai

Telephone 34325

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of *The Review*.

June 16

Some 150 Japanese planes raided Chungking, dropping at least 800 bombs, destroying more than 3,000 buildings. Casualties believed small, as the majority of the civil population has been evacuated in the past two weeks. Many new government buildings were demolished and fires raged in many parts of the city.

Secretary of State Cordell Hull yesterday denied that the Japanese had asked the United States Embassy in Chungking to evacuate the Chinese capital.

June 17

Japanese bombers staged a night mass air-raid over Chungking. City under air-raid alarm for four hours as four squadrons of Japanese planes attacked. Two Japanese bombers shot down by Chinese fighters, according to official Chinese sources.

Y. Suma, Japanese Foreign Office spokesman, declared that Japanese planes will continue to carry out their devastating raids on Chungking regardless of humanitarian protests from any quarter. Suma's remark was interpreted as an informal reply to an American protest against Japanese air-bombing of Chungking's civilian population.

A spokesman for the Japanese Army in Canton, in a threatening statement referring to Indo-China, said that if the Indo-China authorities continue to allow transit of arms to China the Japanese Army must take steps to weaken Indo-China's hostility to Japan. Superintendent Liu Yung-kwei of the Shanghai Municipal Police assassinated. Motive of the killing unknown, but thought political.

France capitulated to Germany. Premier Henri Petain ordered the French Armies to cease fighting and applied to Germany for an armistice.

June 18

Ichang, important Hupeh port on the Yangtze, which fell into Japanese hands on June 11, reported recaptured by the Chinese.

A group of influential retired Japanese army leaders and extremists presented a petition to the Japanese Government advocating the immediate occupation of French Indo-China by Japanese forces.

At the same time that a note was delivered to the American Embassy repeating the Japanese request that Americans leave Chungking, the Tokyo Foreign Office spokesman issued a statement saying that Japanese mass air-raids on the Chinese wartime capital would be continued.

June 19

General Chiang Kai-shek declared at the capitulation of the French and other European developments "will not affect Chinese"

Japanese agreement reached in the Tientsin issue. The Japanese for the disposition of silver stored in the Japanese and virtual Japanese in the municipal ad-

ministration by permitting Japanese gendarmes to make arrests in the Concession. The Japanese blockade of the Concession, begun June 14, 1939, expected to be lifted tomorrow.

The struggle for the possession of Ichang is continuing. Chinese and Japanese forces said to be engaged in bitter fighting on outskirts of city.

June 20

General Chiang Kai-shek, addressing a group of Chinese military commanders on June 17, said that developments in the European war were working out to China's advantage. Gen. Chiang explained that the situation in Europe had caused the adoption of military and naval expansion bills by the U. S. Congress and an embargo on American exports to Japan might soon be enforced. Referring to Japan's mass air-raids on Chungking, Gen. Chiang said: "The Chinese people can never be subdued by brute force."

Japanese Foreign Office announced that the French Government has agreed to prohibit traffic in "goods of an extremely wide range" through French Indo-China to China in accordance with Japan's representations. France also agreed to the dispatch of Japanese inspectors to investigate conditions on the spot.

All goods traffic on the Yunnan-Indo-China Railway suspended as a result of the French action in complying with Japanese demands to prohibit passage of goods to Yunnan through Indo-China. Japanese blockade of the Tientsin British and French Concessions lifted. The blockade lasted 372 days.

June 21

The British China Campaign Committee in London described the Anglo-Japanese Tientsin agreement as "a further example of Great Britain's policy to appease Japan at China's expense."

Dr. Nadam Mohan Atal, head of the Indian Medical Mission to China, said in Hongkong yesterday that reports that Soviet Russia has been sending medical supplies and war materials only to the Eighth Route Army are false, since they have been going steadily through Lanchow to Chungking.

Britons and other foreigners in Chungking ignore the Japanese warning to evacuate to the south bank of the Yangtze.

American Voyaging Trio Arrested in Formosa

Three Americans—Mr. and Mrs. Joseph Sever and Mrs. Sever's brother, Morgan Pattison—were arrested lately by the Japanese authorities at Taihoku, Formosa, presumably because they had entered a fortified zone without permission, according to a report in the Hongkong *Sunday Herald* last Sunday. The trio sailed from Hongkong June 24 in their ketch Cynjo, with the intention of crossing the Pacific. The ketch was reported to have been confiscated.

OLINSOL

AN IDEAL DISINFECTANT



亞

林

沙

而

殺

滅

毒

菌

INTERNATIONAL DISPENSARY, LTD.

SHANGHAI

Chen Said Nabbed For Anti-Wang Plot

S. T. Chen, vice-president and general manager of the American Engineering Corporation, who was kidnapped by armed men in the Shanghai International Settlement on July 9, is believed to be in the hands of the gendarmerie of the Nanking puppet government. A *Domei* report from Nanking on July 17 stated that "Chen San-sueh, former Shanghai businessman who attempted to assassinate Mr. Wang Ching-wei, Acting President of the National Government, was arrested by Nanking police agents on July 9 in Great Western Road, Shanghai."

There is reason to believe that the person referred to is Mr. S. T. Chen, although there are discrepancies between the *Domei* account of the "arrest" of Chen San-Sueh and local press accounts of the kidnapping of Mr. S. T. Chen. There is agreement on the surname Chen, and on the date (July 9), but Mr. Chen was reported kidnapped in his own motor car outside the premises of the American Engineering Corporation at Bubbling Well and Moulmein Roads, whereas Chen San-sueh was reported by *Domei* to have been arrested in the Mei Lee Gardens, Great Western Road, in the "Badlands."

The *Domei* report said that Chen, tempted by a reward of \$3,000,000 for the assassination of Wang Ching-wei, abandoned his peaceful occupation as one of Shanghai's leading businessmen and "rounded up a gang of cut-throats ready to carry

out his plans. Among his group of Russian and Chinese desperadoes, the Ministry of Police announcement said, was one Chinese who tired of the fruitless war of resistance against Japan and joined the peace movement of Mr. Wang, subsequently giving information against the plotters to the Nanking authorities." The report concluded by describing Chen as a graduate of Columbia University in New York.

Kobe Customs Designate S'hai as Cholera Zone

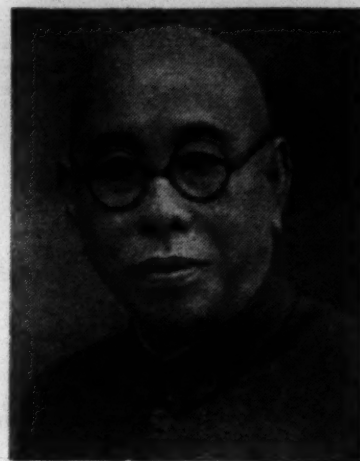
Officials of the Kobe Customs received notice from the Welfare Ministry in Tokyo, stating that Shanghai had been designated as a cholera zone, *Domei* reported July 21. All ships arriving in Japan from Shanghai will be quarantined for from two to four hours while examinations are made of passengers and crews, the report said.

Russian Army Leaders Getting Snappy Dress

Moving a step further in the resurrection of the military caste which was one of the institutions abolished by the Bolshevik Revolution in 1917, the Soviet Government issued a decree last week which provided for the adoption of "brilliant ceremonial uniforms and field uniforms" for Red Army generals. According to *United Press*, the new uniforms are distinguished from the old by gold buttons, silver and gold braid, shoulder straps and Sam Browne belts.

Who's Who in China

Jenq Tzun-yinn, Government official; born at Foochow, Fukien, May 12, 1872; graduate, Fukien Law College, Foochow; President, Fukien Branch of the Chung Hua Tung Meng Hui, 1906-13; members, Fukien Provincial Assembly, 1910-11;



Jenq Tzun-yinn (Cheng Tsu-yin)

鄭祖蔭字蘭蓀

Vice-Director, Fukien Administrative Council, 1911-12; senator, Nanking Provisional Parliament, 1912; Chief Secretary, Headquarters of the Military Governor of Fukien, 1912-13; Secretary, Headquarters of the Civil Governor of Fukien, 1922; Secretary, Department of Reconstruction, Fukien Provincial Government, 1927-32; now, member of the Fukien Provincial Party Headquarters, President of the Fukien People's Political Council and principal of the Guang Fuh Middle School, Foochow; author of "Poems of the Bamboo Plantation Villa" and numerous articles published in various magazines and newspapers; address: Fukien People's Political Council, Yungan, Fukien.

Father Vincent Lebbe Honored by Chungking

A mandate of commendation in honor of the late Father Lei Ming-yuan (Vincent Lebbe), veteran Catholic missionary in North China who died last month in Szechuen, was issued by the National Government in Chungking on July 18. Father Lebbe was a Belgian by birth who became a naturalized Chinese citizen. The mandate stated:

"Lei Ming-yuan, originally of Belgian nationality, became a naturalized Chinese citizen early in life. He undertook philanthropic enterprises and established newspapers in Peiping and Tientsin. His achievements were appreciated by the public. After the campaign of resistance was launched, he organized a relief corps and engaged in relief work in the various war zones. The results of his work were extremely satisfactory. Indeed, he spared no efforts in promoting the national welfare. The news of his death has been received with profound regret. This Mandate of commendation is hereby specially issued in recognition of his meritorious services."

"via Globe"

....more than a promise;
the Mercury over GLOBE is
a guarantee made by a
responsible international
communications service.

via



Globe

GLOBE WIRELESS LTD.,
Shanghai.

Head Office: San Francisco, Calif., U.S.A.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th. (1937) issue of *The Review*.

June 16

Some 150 Japanese planes raided Chungking, dropping at least 800 bombs, destroying more than 3,000 buildings. Casualties believed small, as the majority of the civil population has been evacuated in the past two weeks. Many new government buildings were demolished and fires raged in many parts of the city.

Secretary of State Cordell Hull yesterday denied that the Japanese had asked the United States Embassy in Chungking to evacuate the Chinese capital.

June 17

Japanese bombers staged a night mass air-raid over Chungking. City under air-raid alarm for four hours as four squadrons of Japanese planes attacked. Two Japanese bombers shot down by Chinese fighters, according to official Chinese sources.

Y. Suma, Japanese Foreign Office spokesman, declared that Japanese planes will continue to carry out their devastating raids on Chungking regardless of humanitarian protests from any quarter. Suma's remark was interpreted as an informal reply to an American protest against Japanese air-bombing of Chungking's civilian population.

A spokesman for the Japanese Army in Canton, in a threatening statement referring to Indo-China, said that if the Indo-China authorities continue to allow transit of arms to China the Japanese Army must take steps to weaken Indo-China's hostility to Japan. Superintendent Liu Yung-kwei of the Shanghai Municipal Police assassinated. Motive of the killing unknown, but thought political.

France capitulated to Germany. Premier Henri Petain ordered the French Armies to cease fighting and applied to Germany for an armistice.

June 18

Ichang, important Hupeh port on the Yangtze, which fell into Japanese hands on June 11, reported recaptured by the Chinese.

A group of influential retired Japanese army leaders and extremists presented a petition to the Japanese Government advocating the immediate occupation of French Indo-China by Japanese forces.

At the same time that a note was delivered to the American Embassy repeating the Japanese request that Americans leave Chungking, the Tokyo Foreign Office spokesman issued a statement saying that Japanese mass air-raids on the Chinese wartime capital would be continued.

June 19

General Chiang Kai-shek declared that the capitulation of the French armies and other European developments "will not affect Chinese resistance."

Anglo-Japanese agreement reached in Tokyo on the Tientsin issue. The agreement provides for the disposition of the Chinese silver stored in the British Concession and virtual Japanese participation in the municipal ad-

ministration by permitting Japanese gendarmes to make arrests in the Concession. The Japanese blockade of the Concession, begun June 14, 1939, expected to be lifted tomorrow.

The struggle for the possession of Ichang is continuing. Chinese and Japanese forces said to be engaged in bitter fighting on outskirts of city.

June 20

General Chiang Kai-shek, addressing a group of Chinese military commanders on June 17, said that developments in the European war were working out to China's advantage. Gen. Chiang explained that the situation in Europe had caused the adoption of military and naval expansion bills by the U. S. Congress and an embargo on American exports to Japan might soon be enforced. Referring to Japan's mass air-raids on Chungking, Gen. Chiang said: "The Chinese people can never be subdued by brute force."

Japanese Foreign Office announced that the French Government has agreed to prohibit traffic in "goods of an extremely wide range" through French Indo-China to China in accordance with Japan's representations. France also agreed to the dispatch of Japanese inspectors to investigate conditions on the spot.

All goods traffic on the Yunnan-Indo-China Railway suspended as a result of the French action in complying with Japanese demands to prohibit passage of goods to Yunnan through Indo-China.

Japanese blockade of the Tientsin British and French Concessions lifted. The blockade lasted 372 days.

June 21

The British China Campaign Committee in London described the Anglo-Japanese Tientsin agreement as "a further example of Great Britain's policy to appease Japan at China's expense."

Dr. Nadam Mohan Atal, head of the Indian Medical Mission to China, said in Hongkong yesterday that reports that Soviet Russia has been sending medical supplies and war materials only to the Eighth Route Army are false, since they have been going steadily through Lanchow to Chungking.

Britons and other foreigners in Chungking ignore the Japanese warning to evacuate to the south bank of the Yangtze.

American Voyaging Trio Arrested in Formosa

Three Americans—Mr. and Mrs. Joseph Sever and Mrs. Sever's brother, Morgan Pattison—were arrested lately by the Japanese authorities at Taihoku, Formosa, presumably because they had entered a fortified zone without permission, according to a report in the Hongkong *Sunday Herald* last Sunday. The trio sailed from Hongkong June 24 in their ketch Cynjo, with the intention of crossing the Pacific. The ketch was reported to have been confiscated.

OLINSOL

AN IDEAL DISINFECTANT



亞

林

沙

而

殺

滅

毒

菌

INTERNATIONAL DISPENSARY, LTD.

SHANGHAI

Chen Said Nabbed For Anti-Wang Plot

S. T. Chen, vice-president and general manager of the American Engineering Corporation, who was kidnapped by armed men in the Shanghai International Settlement on July 9, is believed to be in the hands of the gendarmerie of the Nanking puppet government. A *Domei* report from Nanking on July 17 stated that "Chen San-sueh, former Shanghai businessman who attempted to assassinate Mr. Wang Ching-wei, Acting President of the National Government, was arrested by Nanking police agents on July 9 in Great Western Road, Shanghai."

There is reason to believe that the person referred to is Mr. S. T. Chen, although there are discrepancies between the *Domei* account of the "arrest" of Chen San-Sueh and local press accounts of the kidnapping of Mr. S. T. Chen. There is agreement on the surname Chen, and on the date (July 9), but Mr. Chen was reported kidnapped in his own motor car outside the premises of the American Engineering Corporation at Bubbling Well and Moulmein Roads, whereas Chen San-sueh was reported by *Domei* to have been arrested in the Mei Lee Gardens, Great Western Road, in the "Badlands."

The *Domei* report said that Chen, tempted by a reward of \$3,000,000 for the assassination of Wang Ching-wei, abandoned his peaceful occupation as one of Shanghai's leading businessmen and "rounded up a gang of cut-throats ready to carry

out his plans. Among his group of Russian and Chinese desperadoes, the Ministry of Police announcement said, was one Chinese who tired of the fruitless war of resistance against Japan and joined the peace movement of Mr. Wang, subsequently giving information against the plotters to the Nanking authorities." The report concluded by describing Chen as a graduate of Columbia University in New York.

Kobe Customs Designate S'hai as Cholera Zone

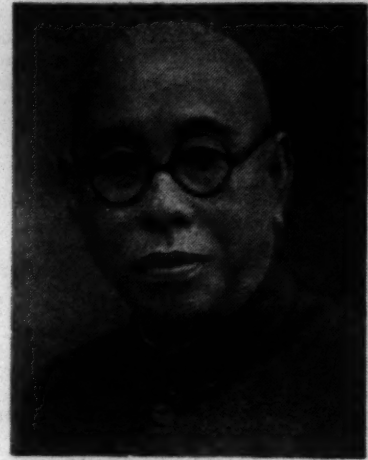
Officials of the Kobe Customs received notice from the Welfare Ministry in Tokyo, stating that Shanghai had been designated as a cholera zone, *Domei* reported July 21. All ships arriving in Japan from Shanghai will be quarantined for from two to four hours while examinations are made of passengers and crews, the report said.

Russian Army Leaders Getting Snappy Dress

Moving a step further in the resurrection of the military caste which was one of the institutions abolished by the Bolshevik Revolution in 1917, the Soviet Government issued a decree last week which provided for the adoption of "brilliant ceremonial uniforms and field uniforms" for Red Army generals. According to *United Press*, the new uniforms are distinguished from the old by gold buttons, silver and gold braid, shoulder straps and Sam Browne belts.

Who's Who in China

Jenq Tzun-yinn, Government official; born at Foochow, Fukien, May 12, 1872; graduate, Fukien Law College, Foochow; President, Fukien Branch of the Chung Hua Tung Meng Hui, 1906-13; members, Fukien Provincial Assembly, 1910-11;



Jenq Tzun-yinn (Cheng Tsu-yin)

鄭祖蔭字蘭蓀

Vice-Director, Fukien Administrative Council, 1911-12; senator, Nanking Provisional Parliament, 1912; Chief Secretary, Headquarters of the Military Governor of Fukien, 1912-13; Secretary, Headquarters of the Civil Governor of Fukien, 1922; Secretary, Department of Reconstruction, Fukien Provincial Government, 1927-32; now, member of the Fukien Provincial Party Headquarters, President of the Fukien People's Political Council and principal of the Guang Fuh Middle School, Foochow; author of "Poems of the Bamboo Plantation Villa" and numerous articles published in various magazines and newspapers; address: Fukien People's Political Council, Yungan, Fukien.

"via Globe"

....more than a promise;
the Mercury over GLOBE is
a guarantee made by a
responsible international
communications service.

via



Globe

GLOBE WIRELESS LTD.,
Shanghai.

Head Office: San Francisco, Calif., U.S.A.

Father Vincent Lebbe Honored by Chungking

A mandate of commendation in honor of the late Father Lei Ming-yuan (Vincent Lebbe), veteran Catholic missionary in North China who died last month in Szechuen, was issued by the National Government in Chungking on July 18. Father Lebbe was a Belgian by birth who became a naturalized Chinese citizen. The mandate stated:

"Lei Ming-yuan, originally of Belgian nationality, became a naturalized Chinese citizen early in life. He undertook philanthropic enterprises and established newspapers in Peiping and Tientsin. His achievements were appreciated by the public. After the campaign of resistance was launched, he organized a relief corps and engaged in relief work in the various war zones. The results of his work were extremely satisfactory. Indeed, he spared no efforts in promoting the national welfare. The news of his death has been received with profound regret. This Mandate of commendation is hereby specially issued in recognition of his meritorious services."

Men and Events

General Motoo Furusho, Japanese Supreme War Councillor and former Commander-in-Chief of Japanese expeditionary forces in south China, died in Tokyo of ptomaine poisoning on July 21. He was 59 years old.

C. S. Franklin, former chairman of the Municipal Council of the International Settlement, returned to Shanghai last week from a trip to Chungking, where he interviewed officials of the National Government.

The Chinese National Government on July 19 announced the appointment of Ju Chu-ju as First Secretary of the Chinese Embassy at Moscow. The announcement stated that Chiang Ta-tien, previous First Secretary, had been appointed to another post.

Morris Harris, head of the bureau of the Associated Press in Shanghai, departed last week aboard the President Coolidge, for a short vacation trip in the United States. He will join Mrs. Harris who departed for her home in Kansas City several weeks previously.

The Yunnan Provincial Government has announced the establishment of the new Kunming Bank, which will have a capital of \$5,000,000. Three-fourths of the stock will be held by private interests, the remainder by the provincial government. The manager will be Tang Leng-lung.

Capt. Riley F. McConnell, who served as Chief-of-Staff of the U.S. Asiatic Fleet under Admiral Harry E. Yarnell, died at the Naval Hospital, San Diego, California, on July 12. Following completion of his service here, Capt. McConnell was made Commander of the U. S. Naval Training Station at San Diego.

Air Mail service between Japan and Bangkok, Siam, was scheduled to start this week, according to report of the Japanese Ministry of Communications. The announcement stated that mail destined for Australia, Netherlands Indies, Near East and Africa, would be transferred at Bangkok to British and Dutch commercial lines.

General Chen Chi-tang, former Governor of Kwangtung Province, assumed office on July 22 as Minister of Agriculture of the National Government, according to a Shun Pao dispatch from Chungking. The report stated that Lin Yi-chung and Chien Tien-ho had been appointed Vice-Ministers.

The Chinese Government on July 23 awarded a medal to Yu Kwang-shao, leading Chinese citizen of the town of Luhsien, southern Szechuen province, in appreciation for his donation of \$13,500 to the Government for relief of wounded soldiers. The contribution represented a legacy left to Mr. Yu by his deceased wife.

The Soviet authorities announced on July 19 that the famous ice-breaker, Sedov, noted for its excursions in Arctic waters, had been ordered to the north-eastern section of the Kara Sea for the purpose of making explorations in connection with the northern sea route to the Far East. The expedition will be commanded by the explorer Verobjev. According to the report by Tass the expedition will explore 200 square miles of area in the Kara Sea and thus fill in the last gaps concerning the northern sea route. Kara Sea is a large body of water to the east of Novo Zemlya Island.

The China Defence League, 21 Seymour Road, Hongkong, has announced the printing of Chinese-style Christmas cards in various grades which will be sold for relief purposes. The cards will sell from US\$1 to US\$2.50 a dozen. The cards will be on sale in the United States at the China Aid Council, 200 Fifth Avenue, Room 850, New York City.

A. T. Steele, correspondent for Chicago Daily News, who has been in the United States on leave for several weeks, will return to Shanghai early in August. Frank Smothers, former correspondent in Europe, who served here in Mr. Steele's absence, departed for Japan early this week where he will meet Mr. Steele, following which Mr. Smothers will return to Chicago where he will be stationed in future.

The Ministry of Communications of the Chinese National Government announced new schedules for airmail and passenger services between Chungking and other points in southeastern Asia. A plane will leave Kunming every Monday at 6 a.m. for Hanoi, returning to Kunming at 3 p.m. the same day. Another plane will leave Chengtu for Rangoon every Sunday and Monday at 6 a.m., returning on the afternoon of the same day, en route to Chungking.

Chaplain R. R. Marken of the U. S. Marine Corps, who has resided in Shanghai for the past two years and is well known here, is departing shortly for the United States. He will be succeeded by Lieut. H. R. Trump, U. S. Navy, who will take over the duties of Regimental Chaplain to the Marine Corps. Chaplain Marken conducted the service at the Grand Theater on Sunday morning, July 21—his last in Shanghai—and spoke on the subject, "The Fortress that Abides."

The China Travel Service has published a second edition of the book, "Scenic Beauties of Southwest China," which was widely circulated last year. The price, prior to August 1, will be \$4 a copy. After August 1 the price will be \$8, according to the announcement.

Admiral Kichisaburo Nomura, former Tokyo Foreign Minister, who is making a tour of Japanese communities in the South Seas, allegedly for the purpose of investigating "health conditions," was scheduled to visit the Japanese community at Davao, Philippines on July 21. When High Commissioner F. B. Sayre was informed of Admiral Nomura's intentions of visiting Davao, he was quoted as saying that the health of the Japanese "colony" at Davao was "exceptionally good."

Clarence E. Gauss, former U. S. Consul-General at Shanghai, arrived at Sydney, Australia on July 16 to assume his new post as first American Minister to the Australian Commonwealth. Mr. Gauss stated, following presentation of his credentials, that he would work for closer friendly ties between the two countries. He was given a reception dinner by the Commonwealth Governor on July 18. Mr. Gauss was accompanied to Australia by John Minter, the State Department's expert on Australian affairs, who was transferred to the Foreign Service in order that he could be the first secretary of the new legation. The syndicated column, "Washington Merry-Go-Round," written by Drew Pearson and Robert S. Allen, in commenting on Gauss' appointment to Australia said that "if the Germans cut the umbilical cord between London and Canberra, the United States will be drawn closer to Australia in the common cause of defending the Pacific.... Australia's great fear is Japan and Gauss knows Japan intimately."

CYMA WATCHES

Known the World Over For Quality and Accuracy

Obtainable at All
Leading Watch-
makers and De-
partment Stores

Sole Agent:

FAR EASTERN CLOCK
& WATCH CO.

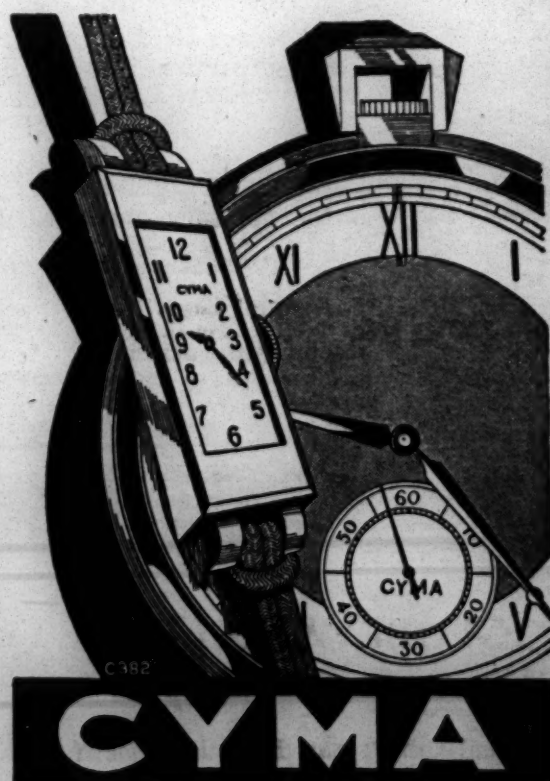
537 Nanking Rd., Shanghai
Tel. 92765

西
姆
表

世界
確界
無馳
誤名

中國總代理
遠東鐘表行
南京路五三七號
電話九二七六五

各大大公司
均有出售



Miss Galia Soldatenko, a waitress in a French Concession cafe, was elected "Miss Shanghai, 1940" at a contest staged by the Arcadia Garden on Thursday evening, July 18. Some 100,000 votes were cast, Miss Soldatenko being about 2,000 votes ahead of the nearest contender. The competition was held under the auspices of the Russian Artistes' Association. Proceeds realized from the sale of tickets, amounting to about \$2,500, will be used to finance a soup kitchen and a bed in a local Russian hospital. Miss Soldatenko, aside from the receipt of a medal, will be known as "Queen Galia." Misses Faina Hablieva and Stasia Prajmovskaya, nearest contenders, will be known as "Princesses" in the Court of Queen Galia.

Mayor Fu Siao-en of the Japanese-controlled Municipality of Greater Shanghai, sent a telegram last week congratulating Yosuke Matsuoka on his appointment as Minister of Foreign Affairs in the cabinet of Prince Konoye. Mr. Fu became acquainted with the Japanese official when he—Mr. Fu—was a "resident" of Dairen, following the capture of Shanghai by the Chinese Nationalists in 1927. Mr. Matsuoka at that time was connected with the South Manchuria Railway, of which he later became president. Mayor Fu resided in the Japanese port of Dairen for ten years, only returning to Shanghai following the occupation of this city by the Japanese forces in 1937, when Mr. Fu was appointed "Mayor" by the Japanese military commander.

The baseball team of the University of Southern California, which was scheduled to sail for Japan from Los Angeles on July 24, for a series of games, suddenly cancelled the trip according to a Domei dispatch from Tokyo on Monday. It was stated that the reason for the cancellation of the trip was the failure to comply with regulations of the American Amateur Athletic Union regarding doctors and coaches who are required to accompany teams on tour. The Domei report said that athletic circles in Japan were "highly agitated," as this was the second time that American teams had been prevented from touring Japan. The other case was a swimming team which had been scheduled to visit Japan last year.



WORRY

The mental as well as physical distress incurred through worry slowly but surely undermines health. Only those who suffer from constipation know what a source of worry this condition can be. But it is a condition that should not and need not be tolerated. A dose or two of Pinkettes is usually all that is required to dispel constipation and thereafter, taken when needed, Pinkettes help to maintain regularity of the daily habit.

Pinkettes banish biliousness, liverishness and sick headache, enliven the spirits, purify the breath, clear the skin. Equally good for men and women.

PINKETTES

Banish Gloom, Keep You Well.

The Spanish Economic Mission which was sent to Japan several weeks ago by General Franco, dictator of Spain, arrived in Peiping on July 22, following a tour of Manchukuo. Lt.-General Alberto Castro Girona, leader of the Mission, and members were guests of the Japanese Embassy in Peiping on Monday evening. From Peiping the group will visit Nanking, following which the members will sail from Shanghai on their return voyage to Spain.

Columbia University Press recently conducted a voting contest to determine a list of ten books which every candidate for the American presidency should read. The books which were selected were: The Bible; Steinbeck's "Grapes of Wrath;" Hitler, "Mein Kampf;" Beard, "Rise of American Civilization;" Sandburg, "Abraham Lincoln;" Emerson's "Essays;" Marx, "Capital;" Plato's "Republic;" Shakespeare's Works; Whitman's "Leaves of Grass."

Miss N. Sabakin, a young Russian woman, appeared at the First Special District Court in the International Settlement on Monday morning, July 22, and requested that her young brother, Nikolai Sabakin, 15-year, old, be placed under detention and given compulsory treatment for smoking heroin. Miss Sabakin testified that her little brother had continuously stolen things from their home at 24 Yuenchong Road, which he sold or pawned in order to obtain supplies of heroin. She stated that Nikolai kept company with street loafers. The boy is now being given treatment at the Police hospital. The source of the opium was not indicated in the report, but most heroin sold here is produced in factories in the Japanese Concession at Tientsin and transported to Shanghai by smugglers who travel on Japanese ships.

John Felch Runnalls, member of the faculty of Yale-in-China at Changsha, passed through Shanghai this week on his way to the United States on vacation. Mr. Runnalls was also a member of the International Red Cross Committee for Central China.

The Central Press, organ of Nanking, circulated a report on July 24 alleging that Chen Pu-lai, prominent member of the National Government had been killed by Japanese bombs dropped on the Chinese capital in the course of an air-raid on July 17.

Col. J. W. Hornby, M. C. Commandant of the Shanghai Volunteer Corps, issued instructions this week that all members of the Corps who reside in the Embankment Building, leading apartment house, located on North Soochow Road, must discontinue carrying arms, except when wearing uniforms. The Embankment Building previously was within the British defense sector, although located north of Soochow Creek and adjacent to the Government Post Office. Recently, however, the British troops "retreated" from this sector and the Japanese immediately posted guards at the corner of the building adjacent to the Honan Road bridge crossing Soochow Creek. Col. Hornby also stated, in his instructions, that even though members of the S. V. C. were wearing uniforms, they "should move direct from their quarters to south of the creek or vice versa, when wearing uniforms. The Japanese guards immediately began challenging drivers of motor cars, ordering them to turn on the light in the car when driving in front of the building in the evening. Japanese soldiers also enforce this order in Hongkew, the chief reason being that similar orders are enforced by the police in most cities of Japan, including Tokyo, Kobe, and Dairen, Manchuria.

The Sea Captain's Shop at Shanghai.

The largest and finest hand made and embroidered lingerie in authoritative styling to be found in any country. Large assortment in price, style and sizes.

Hostess Coats, Pajamas, Padded Robes and other house garments in the new as well as the rare old silks.

Men's Robes, Pajamas and Smoking Coats in silk/wool, and pure silk are famed for their correct style and fine tailoring. Other mixtures and flannel are made to order.

Jewellery, Petit Point, Brocade and Metallic Afternoon and Evening Bags, Ivories, Curios and Mongolian Objects of Art.

THE SEA CAPTAIN'S SHOP

Mrs. W. Tornroth

119 Nanking Road

27-C Central Arcade

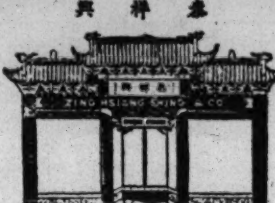
Over Thos. Cook & Sons

Phone 10206

S H A N G H A I

興 祥 泰

T E M P L E



CHINESE PORCELAIN,
ANTIQUES AND
ART FURNITURE

ZING HSIANG SHING & CO.
198 Nanking Road, Tels.: 14717 & 13937
SHANGHAI

A.B.C. PRESS, SHANGHAI

Printing
in all its Branches

Your work
should bear
our imprint

BACK ISSUE WANTED

The Review will pay one dollar (\$1.00) for each copy of the issue of MARCH 3, 1928 (Vol. 44, No. 1).

Mail the copy or copies with statement to,

THE CHINA WEEKLY REVIEW

160 Avenue Edward VII
Shanghai

Kent Lutey, formerly connected with the Henningsen Produce Company of Shanghai, is now in Buenos Aires, Argentina, South America.

The new Danish Minister to China, Mr. Hjalmar Collin, arrived in Shanghai from Hongkong on July 13 and is living temporarily at the Cathay Hotel.

G. S. Rentschler, who has been President of the National City Bank of New York, was elected Chairman of the Board in succession to J. H. Perkins, who died recently. William Gage Brady, Jr., has been elected President in succession to Mr. Rentschler. The foregoing elections were made at a meeting of the Board of Directors of the Bank held in New York on July 23. W. Randolph Burgess, who has been Vice-President will continue in his present office. William S. Lambie and Howard C. Sheperd were elected senior vice presidents and Nathan C. Lenfestey was elected vice-president and cashier. Mr. Rentschler, the new Chairman of the Board is a native of Hamilton, Ohio and a graduate of Princeton. He has been connected with banks and insurance companies in New York for many years.

Lenox Simpson, British subject, proprietor of a book store at Dairen, Manchuria, has been ordered to leave the port by the Japanese authorities because of alleged illegal dealings in Manchurian and Japan currency, according to Havas message from Dairen on July 22. The Havas report, however, disclosed the real reason for Mr. Simpson's deportation, by stating that he had been under police surveillance for some time because he allegedly had sent "anti-Manchukuo articles to foreign news agencies and periodicals." Mr. Simpson is a brother of the late Bertram Lenox Simpson who was murdered by Chinese gunmen in Tientsin in 1930, when he was occupying the post of Commissioner of Customs under the Yen-Feng-Wang Ching-wei coalition in North China. Lenox Simpson has resided in Manchuria for many years. He previously published an English newspaper in Harbin but was compelled to leave that city following the Japanese occupation in 1932. He has frequently served as correspondent for newspapers in Shanghai and in Japan.

Japan Farmers' Union Federation Disbanded

The Federation of Japan Farmers' Unions was disbanded July 16 on the initiative of its leaders including Mr. Testu Katayama, president. The move followed earlier dissolution of the Japan Federation of Trade Unions and of several political parties, to make way for the proposed single national party.

Tokyo Mayor Gets Yen 1,000 Salary Cut

When the new mayor of Tokyo took office early this month he was greeted with a salary reduction of Yen 1,000 per annum, decided upon by the Tokyo City Council. His salary is now Yen 22,000 a year. The official's pay still remains more than twice that of the Premier, who receives Yen 9,600 a year, and is more than three times that of cabinet ministers who get Yen 6,800 a year. The three deputy mayors of Tokyo each receive Yen 14,000 a year.

NEW MAP OF CHINA

41 by 28½ Inches.
With Place Names in English and Chinese.

Comprehensive — Authoritative — Useful as Guide to Areas Where Fighting is in Progress or Threatened.

Shows in Entirety the Chinese Republic and the Japanese Empire.

Ten Small Maps Attached:— Showing Islands at the Mouth of Pearl River and in the South China Sea including Hainan Island, the Paracel Islands, Pratas Island and other Groups; Rivers and Lakes in Wuhan Area and along the Kiangsu-Chekiang Border; Peiping-Tientsin Area; Canton and its Vicinity; Nanking and Chungking.

The Jih-Sin Geographical Institute, Publishers.

Price \$1.60 in China.

Price U.S.\$1.00 Abroad.

Send Postal Money Order or Check to

THE
CHINA WEEKLY REVIEW

160 Ave. Edward VII, Shanghai.



CHARM OF FACE AND FIGURE.

You like to look your best, to be conscious of the admiration of others, don't you?

Womanly beauty does not only lie in the fineness of the features; a pretty face lose much of its charm if it lacks freshness and vivacity, that radiancy which indicates the presence of rich, red blood, the fountain source of happy, healthy being.

Many young women and girls whose charm of face and figure evokes envy and admiration in their friends owe their looks to Dr. Williams' Pink Pills, the world-famous blood builder and nerve tonic.

You need not be tired, run-down, listless, irritable, thin, perhaps with a pimply complexion; do as many thousands like you have done, take Dr. Williams' Pink Pills. Soon you will be delighted as your complexion clears, your figure becomes shapely, and you again enjoy glowing health.

Dr. Williams' Pink Pills

Obtainable at chemists everywhere.

Subscribe to
THE CHINA WEEKLY REVIEW
\$22.00 per year

New Books of Interest in the Far East

American Imperialism

REMEMBER THE MAINE—By Gregory Mason; Henry Holt & Co., New York; 298 pp, price U.S. \$3.00.

Those Americans who are too young to remember the Spanish-American War and who are wont to shudder with horror at Japanese, German and Italian imperialism, likewise those who complacently exalt the altruism of their own country, should read "Remember the Maine." Not only will they learn that the democratic United States went into that war with all the lust for conquest and aggrandizement which we now attribute to the so-called totalitarian states but they will also learn with chagrin that with the exception of Admiral Dewey's capture of Manila, all of our naval and military engagements in the war against Spain were carried out with the maximum of inefficiency and succeeded largely because of superior naval strength and the deplorable blunders of the enemy.

Possessed of a new, untried navy, the United States of 1898 was as eager to try out the new battleships, cruisers and destroyers as a small boy with a new toy. In the words of the author: "When you observe the temper of the Gay Nineties, and the 33 years after the Civil War, you become convinced that the American public had a deep-seated and growing need of a foreign war. Astute newspaper owners saw this need, catered to it, and profited by it.... We had a navy at last, so our imperialists trebled their outcries. Senator Frye, of the Foreign Relations Committee, expressed the frank hope that we might 'take possession of Cuba.' Senator Cullom blandly declared, 'It is time that someone woke up and realized the necessity of annexing some property.' He agreed with Senator Henry Cabot Lodge—who was to become one of our leading isolationists in his later life—that 'we want all this northern hemisphere.'"

With this group of jingoes at the helm of Congress and with Theodore Roosevelt as Under-Secretary of the Navy, the mild-mannered President McKinley was thrust willy nilly into a declaration of war against Spain on the slender pretext of the blowing up of the battleship Maine in Havana harbor, an explosion the exact cause of which has never been conclusively proven. That the sinking of the Maine was the real cause of the war against Spain is as fantastic as attributing the Japanese conquest of Manchuria to the blowing up of a rail on the South Manchuria Railway near Mukden on the night of September 18, 1931, or the present Sino-Japanese hostilities to the Lukouchiao incident in July, 1937.

Two newspapers tales retold by the author will give some idea of the attitude of the American press toward the war issue: "Later on, Mr. Pulitzer (publisher of the New York World) confessed that in 1898 he had 'rather liked the idea of war—not a big one—but one that would arouse interest and give.... a chance to gauge the reflex in.... circulation figures.'"

"Mr. Hearst (publisher of the New York Journal), of course, is famous for his reproof to Frederick Remington, whom he had sent ahead to where the front was supposed to be. The artist had querulously cabled that there was no war. Mr. Hearst, says James Creelman, wired the chiding reply: 'You furnish the pictures and I'll furnish the war.'"

One of the most disgraceful or ludicrous (depending on your point of view) aspects of the war as chronicled by Mr. Mason was the jealousy and non-cooperation displayed by the American

Army and Navy, and the schism existing between the Regulars in the Army and the National Guard Volunteers, the latter refusing to serve under West Point officers. One disgruntled Volunteer from Brooklyn wrote to the papers that: "For a self-respecting American of good family to serve as a private, corporal, or sergeant under a West Point lieutenant or captain is entirely out of the question. West-Pointers have seen fit to introduce a class feeling—no, I will go farther and say a caste feeling—between themselves and non-commissioned officers and privates that is unpleasant in the extreme."

Admiral Sampson, commander-in-chief of the American naval forces, and 300-

pound General Shafter, commander of the military forces, differed violently on the tactics to be followed in the attack on Santiago. Sampson, who feared that the entrance to the harbor was heavily mined, wished Shafter's forces to silence the enemy shore defenses before the navy attempted to enter the harbor, after having swept the entrance of mines. Shafter discounted the danger of mines; wished Sampson to steam into the harbor and cover the advance of the army with naval gunfire. The impasse—the armed forces of the United States at this time boasted no general staff—resulted in Shafter attacking the rear defenses of Santiago while Sampson's fleet impotently guarded the entrance to the harbor, a function which no longer had any significance since the American fleet had annihilated the Spanish fleet when it had attempted to escape from the harbor several days previous.

QUARTERLY BULLETIN OF CHINESE BIBLIOGRAPHY

[ENGLISH EDITION]

[New Series] Vol. I, No. 2

June, 1940

CONTENTS

Editorial Comment

The Ancient Library of Pei-t'ang, by Father Hubert Verhaeren

Notes and News

Selected Publications

- I. Books in Chinese
- II. Books and Serials in European Languages
- III. Government Publications

Periodical Literature

- I. Periodicals in Chinese
- II. Periodicals in European Languages
- III. Index to Chinese Periodicals

Index Translationum

SUBSCRIPTION RATES

In China:	Ch\$2.00 per number
	Ch\$8.00 per volume
In Hongkong:	HK\$1.20 per number
	HK\$4.80 per volume
Abroad:	US\$0.50 per number
	US\$2.00 per volume

(Payable in Advance)

Subscriptions should be sent to:

THE NATIONAL LIBRARY OF PEIPING

Kunming (Yunnanfu)
Yunnan, China

SWAN, CULBERTSON & FRITZ

*Investment Bankers and
Brokers in Securities and
Commodities.*

*Daily New York and
London Stock Exchange
Service.*

Sassoon House

Telephone 11200

TYPEWRITERS, AUTOMOBILES
Bought, Sold, Rented, Repaired &
Rebuilt, HERMES BABY Dealers,
Bartlett Yung Co., 132 Kiangse
Road, Tel. 11875, Garage End of
lane 749 Yu Yuen Road, Tel. 20349.

In the United States Court for China

NONNA FINDLEY, Plaintiff,	Cause No. 4503. Civil No. 2382. ORDER
vs.	Filed at Shanghai, China,
VIRGEL JESSE FINDLEY, Defendant.	July 16th., 1940. WILLIAM T. COLLINS Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 15th day of July, 1940, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 15th day of July, 1940, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 15th day of July, 1940, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China, nor has he resided therein since, and that defendant's last known address was c/o Mrs. Zella Stanley, 1337 California Street, Apartment 5, San Francisco, California, U.S.A.

Now, THEREFORE, it is this 16th day of July, 1940, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review", a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 3rd day of August, 1940, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court:

Dated at Shanghai, China,
this 16th day of July, 1940.

MILTON J. HELMICK,
Judge.

When the Spaniards unexpectedly capitulated, General Shafter would not permit Admiral Sampson to participate in any way in the ceremony of surrender. Then there was the feud between Admiral Sampson and Rear-Admiral Schley, his immediate subordinate, as to respective honors due in the naval engagement against the Spanish, a feud which outlasted the lives of both naval officers and was carried on by their individual adherents.

Aside from our territorial acquisitions, the author points out, the Spanish-American War had several other far-reaching results. It consolidated the nation by banishing forever the long enmity between North and South which was a heritage of the Civil War. Our excursion into the West Indies linked us strategically with our natural allies in South America. "Whereas, our far-fetched sortie into the East Indies resulted in a needless and hysterical fear of Japan, whose normal expansion (no more than ours) would not include the Philippines."

From the Spanish-American War dates our first hatred of Germany and our first reconciliation with Britain, the only foreign power that supported the United States during the Spanish adventure. Germany, on the other hand, at one time threatened interference in the Philippines and at one time a battle between Admiral Dewey's warships and a German Asiatic squadron was narrowly avoided. Staunch support by Britain in that hour of need was largely instrumental in checking any aggressive action contemplated by the German navy.

"Remember the Maine" is an honest, colorful tale of the war which makes no attempts to gloss over American jingoism or military and naval blunders. It will no doubt afford great satisfaction to readers whose allegiance is to one of the totalitarian nations and should arouse in the minds of American readers a perhaps not injurious feeling of humility.

V. K.

The China of Today

CHINA IN PEACE AND WAR: Selections from the writings of May-ling Soong Chiang (Madame Chiang Kai-shek). Shanghai, Kelly and Walsh, Limited, 1940. Silk, 193 pages.

This is a book which will provide excellent source material for anyone who wishes to read or write on modern China. The point of view shown in these writings of Madame Chiang is that constructive idealism which has marked her public career. There will be a wide public awaiting such a collection.

The last half of the volume is made up of wartime messages to the people of China as well as to groups in other countries. The first half of the book shows more variety, as may be expected. These writings during the period of unification and national development prior to the invasion of Japan reflect the activities of that period—the political, social economic and spiritual changes within China. The account of the educational work in the Nanking school for the children of revolutionary martyrs is indicative of the way in which problems of reconstruction were being met.

There is also a short story by Madame Chiang. Characteristically, this is a story of a Chinese girl in the Sung dynasty and her part in determining the course of her own life.

There are three articles which discuss Madame Chiang's religious convictions: What Religion Means to Me, reprinted from the well-known series of that name in Forum Magazine; Christianity in an Awakened China; and a Tribute to Missionaries in China, written during the present conflict.

This edition is delightfully produced. The book has been printed on folded

leaves of Chinese paper made by hand from bamboo fiber. The binding of red silk in Chinese style bears a title in Chinese characters, from Generalissimo Chiang's own calligraphy.

F.M.R.

Catholic Solution

WHICH WAY, DEMOCRACY?—By Wilfred Parsons, S.J., Dean of Graduate School, Georgetown University. The MacMillan Co., New York, 1939. 295 pp. Price, U.S. \$2.00.

Living at such a time as this when propaganda is rampant, one can see things but dimly as through camouflage. Terms like Democracy, Liberalism, Communism and Fascism are old friends. Yet pinned down to distinguish the niceties between these words, one is apt to get confused and know not what to do. In such a case you can do no better than go to this book under review. It explains these terms for you without overlooking the historical sense behind them.

Nor is this all. The book will tell you something which you may have never thought of before. You may have said to yourself that Democracy is going to the dogs because of Fascism and Communism. But this is only part of the story. And Father Parsons' job is to complete it.

He says that Democracy is at stake not because of Marxism and Nazism, still less because of Hitler and Stalin, but because of inner decay, something being inherently wrong with Democracy. So the danger is all the greater. As a matter of fact, the rise of Marxism and Fascism is due to the impotence of Democracy. And the impotence of Democracy is due to its tragic marriage with the laissez-faire doctrine, the doctrine of non-interference by government in the affairs of industry. Under such a condition, while certain people are thriving, most people are hard pressed. The result is the ever-widening gulf between poverty and wealth. The government should do something, to take care of people unable to take care of themselves. But oftener than not, the government is told not to stir a finger. What is Democracy if divorced from Liberalism? And the word Liberalism in most people's minds means nothing other than laissez-faire!

This explains why there should rise against Democracy, the sweet home of rugged individualism, such a collective state as Soviet Russia, and such totalitarian states as Italy and Germany. Also this drives home the fact that in order to pull Democracy out of the Slough of Despond, we must stop worshipping the mumbo jumbo of Liberalism, that we must try hard to change our skins, and that we must recognize that a government worth the name at all is not for a few millionaires and billionaires alone but for the whole of the people. And to achieve this, the government need not scruple to regulate people's activities, which, of course, does not necessarily mean dictatorship. Parsons names Pius the Eleventh's theory of "occupational groups" as a possible solution of the social injustice existing today. The "occupational groups" are "groups by which all those who are engaged in the same pursuits, employers and employees, are associated in a single body for the common good. These groups, democratic in nature and government, and fully autonomous, should then coalesce into a hierarchical industrial society in which all business owners and workers are joined together for the common welfare of all."

But Father Parsons does not stop here. He goes on saying that it is not enough to change our skins. We have got to change the soul and the heart, too. And this is really more important than anything else. It is the Church's mission to help people along this line.

S.C.Y.

BOOTS and her BUDDIES by MARTIN



She
has
EVERYTHING

- LIFE
- CHARM
- STYLE
- APPEAL
- ACTION

GET ACQUAINTED
WITH HER
IN THE DAILY COMIC
STRIP OF

The China Press

If you are **SATISFIED**
with

The China Critic (中國評論週報)

WHY NOT GIVE YOUR RELATIVES AND FRIENDS

THE SAME SATISFACTION?

"BE A CRITIC BOOSTER"!

Subscribe Now! - - - - - Do it yourself!
"Subscribe to the Critic" - - - - - Pass the word!

Subscription Rates for one year

(Including Postage)

China.....C.\$10.00
Other Countries.....G.\$5.00

THE CHINA CRITIC

(中國評論週報)

桂中樞 C. S. Kwei, Editor | 朱少屏 P. K. Chu, Business Manager

191 Carter Road, Shanghai, China Telephone 31164

SUBSCRIPTION COUPON (In China)

Send The China Weekly Review For

- ☐ One Year (52 issues) at \$22
- ☐ Two Years (104 issues) at \$42
- ☐ Half Year (26 issues) at \$12

(Two one year subscriptions to different individuals may be sent at the two year rate of \$42)

(Subscription rates in foreign countries appear on title page)

TO

NAME
ADDRESS.....

NAME
ADDRESS.....

And Send Bill To

NAME
ADDRESS.....

Mail This Coupon to
The China Weekly Review
160 Avenue Edward VII, Shanghai, China



To AMERICA

VIA CAPETOWN

VIA HONOLULU

**A
NEW ROUTE HOME—
via CAPETOWN**

**on the smooth riding friendly
President Liners**

**Regular and frequent passenger
and freight services**

AMERICAN PRESIDENT LINES
"Round-World Service"